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IN THIS NUMBER

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ERRATUM

In the review of *Freedom and the Administrative State*, in 8 *Public Administration Review* 203-11, (Summer, 1948) the author, Joseph Rosenfarb, was referred to throughout as Joseph Goldfarb.

The Central Planning System in Britain

By HERMAN FINER

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The Kind and Amount of Planning

THE furious battle of the definitions of planning is in full swing. The object here is to offer a brief picture of the planning system that prevails in Great Britain designed to fulfill what is now called "democratic socialism." Yet three questions need brief answers before the institutions and the process are described. What is planning? Why use the word "system"? How much of the first is operative in Britain through the second?

It seems an error to divorce "policy" from planning. The meaning of planning will be clearest if we recognize that whenever we use the word "planning" we could almost invariably use the word "government." Everything a planner does or thinks, is done and thought by government, on one of its many levels. His authority, his scope of action, his objects, his means, his controls, and the controls over him are identical with government.

The chief reason in our time for calling government by the new term "planning" is because government today is especially heavily marked with two characteristics different in degree but not in kind from those of government in the eighteenth and nineteenth centuries: *lateral* and *temporal* responsibilities. Laterally, the activities, the men and women who are the personnel of government, and the various departments and agencies must all be carried along together toward the goal in carefully, even prayerfully, contrived concert, so that all help each other and none gets in another's way.

NOTE: This article is a adaptation of a chapter in the revised edition of the author's *The Theory and Practice of Modern Government*, to be published by Henry Holt & Co. early in 1949.

Temporally, all the departments and men, surging forward connectedly and in coherent order, move together over every stage in near, middle, and far-off time, so that the action of none prejudices success at any point until the goal is reached. Hence the planning mind, individual or institutional (or rather collective), has to watch, diagnose, offer insights and alternatives with minute care, laterally; it also has to have its gaze glued on all the succeeding minutes of the future, ready to intervene and put things right so that nothing goes astray en route. Hence a new word: "planning." To detach this word from policy is to commit errors in knowledge of the planning process and to offer erroneous remedies for deficiencies in the practice of government.

Next, why use the word "system" rather than the usual "planning machinery"? The latter phrase is narrow: seems inert: has nothing dynamic in it: gives the impression of plant. It seems to stress brains over will, and awards the primacy to calculation where it properly belongs to intent and determination.

Finally, how much planning is operative in Britain? Nationalization does not nearly exhaust it. There are many other government interventions in Britain today which are not nationalization but which are effective regulators of economic and social activities, causing them to respond to the resolutions of society taken and fulfilled through the medium of law and the state. Planning measures adopted in Great Britain since World War II fall into three groups: (a) measures of control, regulation, and stimulation; (b) financial measures; and (c) measures nationalizing industries and professions. The first group includes control of the

employment market, the licensing of imports and exports and of supplies of raw material and fuel, bulk purchasing by the government, rationing, the thorough control of agriculture, the promotion of education and scientific progress, the introduction of "working parties" in industry, and the fostering of colonial development. Examples of the government's financial measures are the use of taxation to draw off purchasing power, the negotiation of loans from dollar countries, the control of capital issues, measures to keep wages and prices stable, the provision of family allowances, and the policy of subsidizing food. Nationalization measures have so far covered the Bank of England and credit, the coal industry, electricity and gas, transport services, civil aviation, all communications, and the medical profession.

Nothing like the breadth or depth of Soviet planning is attempted. The democratic nature of the British experiment is a most important feature of its planning activities: the Government cannot order men and women to go wherever it wishes them to work.¹ Its means is law, freely made by an electorate of free men, and not, as it might be in Soviet planning, the power, at the government's own will, to deny the worker access to the means of production: British government owns only the property of the nationalized industries and some land.

The description that follows is no paean, nor is it pretended that the system operates as the men or the documents say. It must be remembered that the planning we are to discuss takes place midst the spasmodic compulsions of a world in sharp crises and a British economy heavily damaged by total war and stricken in its foreign trade position. Out of this emergency situation arise compulsions which are not those of normal planning.

Finally, every plan is composed of plans within plans, like the contents of a Chinese box. The vast surface is a design, while each subservient plan bears the shape of the initial container yet is itself not merely pattern but orders of execution and, indeed, execution itself. Accordingly, no apology is necessary where the delineation of the planning system verges into administration.

The planning system of Britain comprises

the political parties, Parliament, the Cabinet and its committees, various auxiliaries to the Cabinet, the Treasury and the other departments, the public corporations, the mixed official and occupational groupings, and the civil service at its top level.

The Political Parties

BRITISH planning begins with British political parties. The parties are coherent and well articulated internally and in intimate fellowship with the whole of British society in all its aspects. In this relatively small territory, they are nationwide fellowships of principle, including economic interests.

The genesis of today's plans is not to be looked for in the Cabinet, which is glad if it can keep itself afloat on the heavy tide of flowing business; or in the House of Commons, which is not organized or intended of its own initiative to conceive the order and priority of legislation and finance. For three decades the top councils, annual conferences, research departments, and committees of the Labour party, assisted by outside experts, various members of the trade unions, the professions, and the co-operative societies had been at work on the program which ultimately became the Government's plan or plans. They had drawn upon the work of scores of royal commission inquiries, the gist of which is now part of the whole world's social legislation. Some of their plans had been reduced to blueprint patterns and year after year, not merely during the campaigns, had been commended to the electorate. In some cases and in some respects the detail was sparse, but the broad principles and outlines were clearly published.

This point is stressed for several reasons. First, the system of planning is democratic; it begins with the taking of policy by the parties to the people and the taking of policy by the parties from the people. The connection is especially intimate in Britain because the country is small, opinion moves rapidly over the territory, the means of communication and the schools bring the minds of men into a fairly tight-meshed network of consenting parts. The parties derive from a social situation in which they must be composed of men of principle. Second, the nation's process of making up its

¹ Cf. House of Commons, *Debates*, March 10, 1947.

mind and willing the ends and means has been gradual, for terrible is the inertia even of those who should make great demands on society. Third, lengthy argument has gone on among the parties and within them, so that some approach to soundness of aim and ways and means was attained before action commenced. Fourth, when the people have been carried along by the parties gradually, with explanations all along the route, fair reliance may be placed on the incentive and response of the people to the obligations which planning imposes as the matrix of the rights it distributes.

Let not the importance of political parties in the planning process be minimized; and let them not be cast out of the picture by a mistakenly fastidious distinction between "policy" and "planning." No parties, no planning; and where there is planning without parties, coercion ill supplies the happy obedience of free consent. This has its repercussions on the education and publicity peculiarly needed where masses of the people are, for the first time, converted into collective owners and managers of "their own" property, whereas hitherto, being combatants against a class of private entrepreneurs, the Marxian smoke of battle has too often obscured economic realities.

The political party carries the men who are going to administer the plan right along with it from its stage of conception, through contact with the ordinary man and woman in the street and the factory, to the stages of legislative and executive authority.

The House of Commons and the Cabinet

THE HOUSE OF Commons is not dumb, though skeptics have accused it of being nothing more than a rubber stamp of the Cabinet's will. On all planning bills recently adopted by the Labour Government the Commons and the Lords put many scores of amendments which the Government accepted, sometimes very reluctantly. It did so because in surveying the problems and the people who were to work the plan—the whole population—it realized that some things in Heaven and earth had not yet come to reside in its philosophy, that it had not been able to imagine or feel intensely enough to include them. Each nationalization statute was a little better in its devices than its predecessor; the House, as well as experience, taught

the Government a lesson in circumspection and drafting. Moreover, the House has the power to ask questions and these questions have proved searching. They have severely shaken up the Government and their proper scope has become a major public issue.^{1a} Again, the Government has, among changes in parliamentary procedure recognized as essential in the new scope of planning, arranged for several two- and three-day debates on the economic state of the nation. Here hours and hours are spent in searching debate. Finally, the House of Commons Committee on Statutory Rules and Orders, now legally termed "Statutory Instruments," and the robust insistence of members, arising partly out of stimulation by this committee's reports, have caused a number of Government orders to be debated, and some to be withdrawn for amendment and re-submission.

The effect of the criticism of the Government by the House in the summer of 1947 was most striking: it changed the emphasis from long-term planning to the short-term crisis. The Government did not fall, but the Opposition's power of free debate, mobilizing opinion outside in the interim between elections, forced the Government to veer sharply. There are two hundred Opposition brains working against and yet with the Government for the good of the whole nation, assisting organically to formulate the plans and supervise their execution. They are able to identify difficulties and possibilities which the rather amorphous result of a nationwide debate, called an election, produces. This they have very effectively done in the last three years.

The Cabinet is a committee of the House of Commons, drawn from the leaders of the majority party (or parties), but it is a curious committee. Nothing is committed to it except a general license to do the best it can for the country. It is a committee which is not formally selected by its political friends, and which has had considerable power and part in creating its own creators. It is the leadership of the very

^{1a} A determined parliamentary battle has raged for over two years between those who demand the right to answers on the detail of the activity of the national corporations and those who want to preserve the corporate administrative bodies from being stultified by fear of parliamentary harassment. Cf. Speaker's Ruling, *Debates*, June 7, 1948, 1649 *et seq.*

organization which originally conceived and offered to the nation the plans it has finally become competent to carry out.

The Cabinet consists of some but not all of the ministers—today seventeen of the more than thirty ministers. Within the Cabinet there is, always, an "inner cabinet," informal but very effective: the Prime Minister, the Chancellor of the Exchequer and Minister of Economic Affairs, the Lord President of the Council (Mr. Morrison, also Deputy Leader of the House of Commons), Mr. Dalton (once of the Exchequer, now Chancellor of the Duchy of Lancaster), and the Foreign Secretary.

The Cabinet meets normally once a week, inviting in non-Cabinet ministers as business requires. It controls the time table of the Commons and the Lords, the parliamentary committees, the making of laws, executive rules and orders, the estimates, the taxing power, the public corporations—all on the terms that it satisfy the legislature, which normally it is sure to do because Cabinet and legislature are one. What it plans it can do: what it legislates it can secure money for: what social benefits it decides should be bestowed on groups of the population come within its power of administrative fulfillment: what coercion is necessary is lent to it by the legislature. It is master of the whole administrative apparatus. There are no hybrids like the independent regulatory commissions in the American system, and all the departments come under the vigorous direction of the Cabinet. It is rock-like in its stability compared with the French Cabinet. It is umbilically tied to the people in contrast to the Soviet planners who tie their people noose-like to their own self-willed convictions. In plan formulation and plan execution it is the supreme engineer, compact of responsible will and dynamic initiative, epitomizing knowledge and the general welfare, and enforcing the plans through the civil service.

To acquit its obligations so that the nation may thrive, the Cabinet needs help. Gradually since 1919, more swiftly during World War II,² and even more resolutely and consciously since 1945, an advisory and devolutionary sys-

tem has been constructed to serve the Cabinet. Its features are: Cabinet committees; the aid of fact-finding and fact-evaluation organs; and consultation with the world of industry and commerce through regular channels.

The Cabinet Committees

THE Cabinet does a considerable part of its work through committees. Their number, their exact terms of reference, when they shall report, and who shall compose them are entirely in the hands of the Cabinet and especially of the Prime Minister. They are completely the Cabinet's servants. It is only by accident that the existence of the committees may become known; of set purpose, to preserve the principle of collective responsibility, their composition is not officially disclosed.³

A Cabinet committee is composed of several ministers chiefly concerned with the subject matter to be decided. The chairman is usually the minister principally concerned. They often have at their sessions law officers and such civil servants as may be useful. They report to the Cabinet, usually an agreed policy, and thus save the Cabinet's time. If agreement is impossible, then the unsettled issues are decided by the Cabinet. Thus, they serve the Prime Minister by coordinating departments at a sub-Cabinet level, and make feasible his "span of control" responsibilities.

The committees are of two kinds, temporary and standing, the former sometimes called *ad hoc*. Every now and again an *ad hoc* committee is set up to handle a special difficulty—thus, the development of atomic energy or the establishment of the national medical service as a going concern, given the refusal of most doctors to enter the service. Of this committee the Minister of Health was chairman. A housing committee functioned in 1945 and 1946, and perhaps later still, to prepare and facilitate the developing stages of the Government's housing plans. At any one time there may be more than a score of these Cabinet committees, most in operation more or less *ad hoc*, more or less permanently. Of recent importance were the Manpower Committee and the Fuel Committee. Their purposes may be inferred from the necessity of converting the economy of World

² Cf. Finer, "The British Cabinet, the House of Commons and the War," 56 *Political Science Quarterly* 321-60 (September, 1941).

³ See Morrison, *Debates*, February 28, 1947, 2129-32.

War II to peacetime needs, the long economic emergency in the aftermath of the war, the nationalization of fuel and power, and the relationship thereof to exportable manufactures upon which the British standard of living precariously depends.

Among the standing committees of the Cabinet are the Legislation Committee; the Defence Committee; the Lord President's Committee; the Policy Committee⁴ (formerly Committee on Overseas Economic Policy); and the Production Committee⁵ (formerly the Minister of Economic Affairs Committee).

The Legislation Committee is the former Home Affairs Committee, presided over by the Lord President of the Council, who in the Labour Government of 1945 is deputy to the Prime Minister and leader of the House of Commons. It scrutinizes all legislation coming from individual ministers for technical and substantive characteristics and deliberates on the priority and tactics of passage of the bills and other procedure in Parliament.

The Defence Committee is of peculiar importance. At the end of World War II the Cabinet did not revert to the prewar Committee of Imperial Defence system, but instead adopted for defence purposes the arrangement which had served so exceedingly well during the war. In the war, the Prime Minister, Mr. Churchill, had assumed also the office of Minister of Defence and became thereby a superior unifier of the three armed services, War, Air, and Navy.⁶ He was chairman of a Defence Committee of the Cabinet which included the ministers principally concerned with military operations and the Ministers of Production, of Supply, and of Labour and National Service. It was served by the Chiefs of Staff, themselves properly grouped in a committee, and by joint staffs for planning, supply, and the rest. Thus, planning for defense and action for defense were combined.

This arrangement has been adapted to peace-

⁴ Includes the Prime Minister as chairman, the Minister of Economics, the Chancellor of the Exchequer, the Lord President of the Council, the Foreign Secretary, and the Minister of Labour.

⁵ Includes the Minister of Economic Affairs as chairman, Trade, Labour, the Treasury, Town and Country Planning, Fuel and Power, and Supply.

⁶ Finer, "The British Cabinet . . .," *op. cit.*

time purposes and, above all, linked organically with the economic and social planning activities of the Government.⁷ The Minister of Defence is now a permanent part of the machinery of government and a member of the Cabinet. The Defence Committee is under the chairmanship of the Prime Minister, but since his load of business is heavy, the Minister of Defence regularly deputizes for him. The supremacy of the Prime Minister's authority must be noted. The membership of the committee is kept flexible, but, unprecedentedly, the Government indicated its permanent nucleus: the Prime Minister, the Minister of Defence, the Service Ministers, the Lord President, the Foreign Secretary, the Chancellor of the Exchequer, the Minister of Labour, and the Minister of Supply—ten ministers, of whom six are in the Cabinet. The Prime Minister's formal chairmanship was explained to the House of Commons as follows:

. . . the Prime Minister presides over the Defence Committee precisely because the wider aspects of defence with which I am now dealing must be dealt with by the authority of the Prime Minister who has to take full account not only of the claims of defence, but also of the claims of all the other activities of the nation, and obviously that could not be handed over completely to the Minister of Defence.⁸

The Defence Committee, normally under the Minister of Defence, deals, under the Cabinet, with:

The organization for national defence in its broader aspect, including both current questions of high policy in the sphere of defence, and also the preparation of plans over the whole field of government activity, both civil and military, for mobilising the entire resources of the nation in a major war. . . . It will be responsible for the review of current strategy and also for the preparation of plans for the country's transition from peace to war. . . .⁹

Besides his duties of presiding, the Minister of Defence is responsible for (a) the broad apportionment of available resources between the three services in accordance with strategic policy, the framing of a policy of research and de-

⁷ Cf. *Central Organisation for Defence*, Cmd. 6923 (H. M. Stationery Office, 1946).

⁸ *Debates*, October 30, 1946, 625.

⁹ Cf. *Central Organisation for Defence*, p. 7.

velopment, and the correlation of production programs; (b) the settlement of questions of general administration on which a common policy for the three services is desirable; and (c) the administration of inter-service organizations, such as Combined Operations Headquarters and the Joint Intelligence Bureau.

Most important for civil economic and social planning until September, 1947 was the Lord President's Committee. At that time its scope became less clear and certainly was narrowed. Its title indicates its chairmanship. It is composed of ministers primarily concerned with home and (to September, 1947) economic affairs—that is, all departments except Foreign, Colonial, Dominions, and Defence. This Cabinet committee came into existence in 1940 (undergoing various transformations) with the cardinal purpose of bringing into regular and unifying contact the many departments involved with home and economic problems so that they might unitedly prosecute the main lines of policy required of them by the War Cabinet. The War Cabinet uttered its directives after it had heard the strategy prepared by the Defence Committee. The Lord President's Committee would declare how far its segments of the nation were able to meet the requirements of strategy; ask, if necessary, for modification of strategy; and in the end, make commitments. Many disagreements were solved in this committee, relieving the Cabinet and securing a concerted, reliable basis for military and production efforts.¹⁰ The Lord President was one of the very few—usually eight—members of the War Cabinet. Other ministers besides those named above attended committee meetings when it was desirable.

In the after-war period this committee was retained and it is still in active operation, but in respect of economic affairs it was supplanted in September, 1947 by the Policy Committee. This Policy Committee (or Committee on Overseas Economic Policy) has authority over the whole range of the nation's economic affairs.

Until September, 1947 the Lord President's Committee coordinated all the domestic departments. It was the link between other com-

mittees of the Cabinet, especially the "Home Economic Committee" also presided over by the Lord President of the Council and the "Overseas Committee" presided over by the Prime Minister. It brought together the research auxiliaries of the Cabinet and serviced the committees with the latter's abilities. It supplied the Cabinet itself with fully made or partly manufactured policies, as the result of deliberation and the settlement of differences at the ministerial level. Where agreement proved impossible to obtain, it appealed the raw material to the Cabinet itself. (Any minister, of course, retains the right to appeal to the Cabinet, and if the latter wishes, may attend the Cabinet for a hearing.)

The Lord President's Committee surveyed the whole field of government, excluding the foreign: social services, social security, physical planning, housing, health, education, police, civil defense, pensions, and local government. Coupled with the fact that Mr. Morrison was at the same time deputy leader of the House of Commons and chairman of the Legislation Committee, a valuable unity of foresight and departmental concert was in the making. Mr. Morrison had the robustness of mind and body to carry it along, until a serious attack of phlebitis in the late winter of 1947, when, in any case, the disastrous urgencies of the Great Blizzard necessitated reorganization of the system.

When the reforms of September, 1947 were made, that is when Sir Stafford Cripps was made Minister of Economic Affairs, he became heir to the "Home Economic Committee," Mr. Morrison's hard-driving ministerial committee. It became known as the "Minister of Economic Affairs Committee," and more recently as the "Production Committee." The Minister presides over it (it will not be forgotten that Sir Stafford later became Chancellor of the Exchequer, while still holding the title and powers of the Minister of Economic Affairs), and it is concerned with the day-to-day coordination and promotion of the economic program. It has command of the entire program of production for domestic and export purposes, including coal and power, building, shipbuilding, agriculture, the allocation of raw materials, and capital investment.

The various Cabinet committees are served

¹⁰ Cf. especially Sir John Anderson, "The Machinery of Government," 24 *Public Administration* (Autumn, 1946), especially p. 155.

by subcommittees; and ancillary to each are committees of officials, to furnish the expert information. All the committees are thus personally linked to each other to a very considerable extent and simultaneously to the Cabinet. The system is highly integrated and coherent, but the work that burdens ministers of Cabinet rank who are at the same time members of Cabinet committees is backbreaking.

The Official Auxiliaries¹¹

THE official auxiliaries include (a) the Cabinet Secretariat or Offices; (b) an Official Steering Committee; (c) the Economic Section of the Cabinet Offices; (d) the Central Statistical Office; (e) the Central Planning Staff; and (f) the Industrial Productivity Committee.

The Cabinet Secretariat. The Cabinet Secretariat performs strictly secretarial functions. It circulates the memoranda and other documents necessary for the work of the Cabinet and its various committees; marshals the agenda for each Cabinet meeting under the direction of the Prime Minister; performs the same service for the Cabinet committees under directions of the respective chairmen; circulates the notices of meetings; records and distributes to those who are concerned the Cabinet's conclusions and draws up the reports of Cabinet committees; and keeps the papers and conclusions of the Cabinet subject to the Cabinet's directions.

It should be emphasized that the secretariat is not advisory to the Cabinet or its committees: it is secretarial. For advisory functions another part of the apparatus has been set up to which we now turn.

The Official Steering Committee. Under Mr. Morrison, the Official Steering Committee was the central piece of machinery to assist the Cabinet in planning. It functioned until November 20, 1947, when it disappeared in this form to reappear in another, under the aegis of and auxiliary to the Minister of Economic Affairs.

The Official Steering Committee consisted of the permanent heads of departments or their deputies representing the key economic depart-

ments, together with members of the Economic Section of the Cabinet Offices, the Central Statistical Office, and the Lord President's own office of planning advisers, administrative experts, "idea men," and scientific consultants. This, according to Mr. Morrison, formed "the central economic team responsible for gathering and assessing economic intelligence, preparing forecasts, framing economic plans, advising Ministers on the advantages and disadvantages of these plans, and keeping under review the execution of plans when authorised and put into operation."¹² It secured coordination at the official as well as at the ministerial level. It spawned a number of "working parties" (i.e. subcommittees not the working parties that inquire into the reconstruction of the various British industries). Thus, one would be estimating total manpower available and its forward distribution on various assumptions, another would be assessing the trend of investment and the problem of its guidance to meet immediate needs and prevent the onset of a depression, another would be watching the import-export relationship. They would thus produce the raw material for future estimates for planning purposes.

The "working parties" and the committee as a whole were simply advisory. The departmental representatives brought with them the not inconsiderable research and planning resources of their own individual departments and took back from the committee the view of the common good it had discussed and provisionally agreed to. From the Official Steering Committee there ascended to the Lord President's ministerial committee the pre-digested plans and estimates, forming the material on which the "political" mind could operate and eventually finding its way to the Cabinet, so far as that was necessary. From the Cabinet, through the Lord President, there descended to it indication of the general roads the Cabinet was prepared to tread, having regard to its commitments to the country and Parliament.

The Economic Section of the Cabinet Secretariat. The Economic Section of the Cabinet Secretariat, a corps of professional economists, was established in 1941. It filled a yawning gap in the coordination of wartime effort,

¹¹ Cf. "Economic Planning," 25 *Public Administration* 3 (Spring, 1947) for Mr. Morrison's statement of the four stages of planning.

¹² *Loc. cit.* p. 6.

since to that time no extra-departmental body had worked parallel with the Government on the intellectual plane. It receives all economic information marshalled by the various government agencies, central, local, and corporate and repairs any gaps by its own research. It comments on the Cabinet and Cabinet committee information that comes in to it and prepares a picture of the general economic landscape to which the facts are tending, with warnings and forecasts of the probable outcome of actions or omissions to act. It serves the Cabinet as a regular duty; but it also serves the various departments, and especially the Central Planning Staff when called in. It prepared the White Paper on *Employment Policy* of May, 1944, the *Economic Surveys* for 1947 and 1948, and the *Capital Investment* White Paper of February, 1948—the so-called annual “economic budgets” which were an important advance in the statecraft of a planning age—and the White Paper on *Capital Investment* of March, 1948.

The Central Statistical Office. The Central Statistical Office was established as part of the Cabinet Secretariat in 1941, to produce a developing statistical series, general and comprehensive in nature, to be an index to economic and social trends. It does not replace the statistical services of the various departments, which are highly developed and specialized, but looks at the figures from a different point of view, making correlations the department would not make and answering planning questions they would not seek to answer. The various excellent departmental statistical analyses assist and integrate with the analyses of the Central Statistical Office. Its systematic picture of trends is published in the *Monthly Digest of Statistics*, indispensable to forecasting and therefore to planning. It is of the highest political importance that this *Digest*, commenced during World War II for private circulation in governmental circles only, is now available to all. This means that the Opposition may challenge the Cabinet's plans with the very figures upon which they are based.

It is noteworthy that the planning activities of the Government have necessitated the gathering of facts about business and industry more frequently and specifically than has hitherto been practiced in the censuses of production, taken at five-year or longer intervals, or gath-

ered when royal commissions of inquiry investigated particular segments of the economy. The Statistics of Trade Act, 1947, empowers the government to require estimates and returns of any person carrying on an undertaking, for the purpose of obtaining information necessary for the interpretation of economic trends and the provision of a statistical service for industry and for the discharge by the government departments of their functions. The gathering of this information is limited to the nature, size, location, and acquisition of the undertaking, its employees, remuneration, rent, taxes, capital assets, and other matters strictly connected with the general purpose.

Before moving forward to an account of the Central or Interdepartmental Planning Staff, which was established in March, 1947, it is relevant to draw attention to the Government's conception of planning machinery to be instituted as auxiliary to government. The ideas are to be found in the White Paper of *Employment Policy* of May, 1944, and in the *Economic Survey* of 1947. The essence of the matter is coherence of minds, exactness of information, the earliest apprehension of the movements in economic and social life that must be mastered in order that the plans may come true, and help from industry in gathering information.¹³

The *Economic Survey* of 1947 in particular sketched the organization and method of preparing “economic budgets” each relating the needs of its sector of the economy—thus, the defense forces, transport, agriculture, manufacture for export, housing, factories, plant, and so on—to the resources of manpower and material needed and available to satisfy its demands. These would be coordinated and shaped with the total manpower and other resources available and the special problems of foreign exchange, capital equipment and maintenance, fuel, and power in mind.

Central Planning Staff. Up to the time of the *Economic Survey* of 1947 (say March, 1947), the Government experimented with the machinery already described. The Government and its official advisers were too wise to believe that administrative machinery is prior to the functions it is to serve. They recognized that

¹³ Paragraphs 81 and 82.

there was as yet no final comprehensive plan of objectives, and that there could not be, given the peculiarly contingent nature of the British economy, so dependent on foreign markets and international relations. But it was found that the machinery was not integrated enough to cope with the urgent short-term problems of a "siege economy" under threats of failure, often through the actions of foreign countries (such as the decontrol of prices in the United States) of which little previous notice could be had. Hence, a new piece of machinery, the Central or Interdepartmental Planning Staff, was established to provide a more comprehensive planning staff than the Official Steering Committee and a more organized contact with industry.¹⁴

In establishing the Central Planning Staff it was recognized that the foundation of the economic planning work would continue to be done in the departments. No outside organization can know enough the detail, the living inwardness and complexity, to be mastered—and mastered only because scores of men have been specializing in the departments it may be for thirty or forty years! But, it had been found that the ordinary members of the top levels of the departments, willing and able as they were, could not give the appropriate time and attention to the Steering Committee. The Government therefore required the appointment in each department of a "whole-time planning staff, under a senior officer, charged with special responsibilities in that field." These officers would be the members of a joint planning staff, something like that so successfully developed in the war for military production purposes. The main strength is the departmental planning officers, but to secure effective direction from the center the Government appointed a full-time executive head of the staff. It was recognized that this Chief Planning Officer must be a man of the most special attainments, and the Government appointed Sir E. N. Plowden, a distinguished wartime official who had come in from and returned to private industry.

The departmental planning officers are administrative class officials high up in the hierarchy. Each has at least one associate whose duties are so arranged that he can concern himself mainly with interdepartmental staff work.

The assistants work together in groups as needed for specific pieces of planning. The Chief Planning Officer himself needs and has only a small staff for programming and for secretarial duties.

The Central Planning Staff (in the Cabinet Offices at the outset) is concerned with the whole field of forward planning. It works in closest relationship with the Economic Section and the Central Statistical Office. Indeed, since November, 1947, when it was switched to the Treasury, under Sir Stafford Cripps, there are observers who declare that the Central Planning Staff and the Economic Section resemble each others so very closely in function that they must either duplicate or share the work of forethought. By rational agreement between the chiefs of each organ it is shared.

Appraisal. The planning system so far described, especially before the advent of the Central Planning Staff, suffered from three weaknesses. Full departmental autonomy still existed, despite the ministerial committees, especially the Lord President's. (These committees, of course, in many instances secured full cohesion below the Cabinet level.) Second, the permanent heads of the departments were far too busy to become planning statesmen as it were; they might be planning statesmen if they had the planning staffs, as set up by the Central Planning Staff arrangement. Third, within the Cabinet, the principal economic ministries were not organized hierarchically: they battled for pre-eminence, none was on top.

For the moment we have done with the first two weaknesses. Let us consider the third a little more closely. In a planned economy, who takes precedence—Prime Minister, Chancellor of the Exchequer, the President of the Board of Trade, or the Lord President of the Council? Or, to omit the appellations and revert to the essential functions, the chief of the whole executive; the master of expenditures, taxation, and fiscal policy including the expansion and contraction of credit; the controller and regulator of imports of all kinds, of rationing, and the targets for exports; or an organizer of planning? In fact, the Chancellor, the President of the Board of Trade, and the Lord President worked closely together, but what direction they should take was determined by argument

¹⁴ Cripps, *Debates*, March 10, 1947.

among them, and the prepotency which won the day was not founded on superior status or necessarily on the merits of the case. The House of Commons sometimes asked, "Who goes in to bat first?" The answer depended on rational agreement, but there are plenty of rational alternatives from which the less rational may be picked—and the picking is sometimes determined by force of personality.

Two basic problems were met and answered under this system of inter-ministerial bargaining. The first was the compromise between the short-term emergency situation of the country just emerged from five years of desperate sacrifice and privation and anxious for a little ease (an emergency especially connected with the "dollar gap"), and the long-term attempt to mend the worn-out and devastated permanent productive equipment of the nation and to improve on it. The second was the fiscal problem of cheap or dear credit. Both of these problems were aggravated by the losses caused by the stoppage or slow down of production due to the Blizzard, followed by the loss of American dollars due to the international convertibility of sterling permitted in July and August, 1947.

Again, drastic changes were necessary in objectives, and therefore in machinery. His austerity and drive caused the Prime Minister to appoint Sir Stafford Cripps as Minister of Economic Affairs on September 27, 1948, with an authority over all the economic departments. In November, on the resignation of the then Chancellor of the Exchequer, Mr. Dalton, the Minister of Economic Affairs became the Chancellor of the Exchequer also. With the appointment of Sir Stafford as Minister of Economic Affairs the Official Steering Committee lost most of its functions to the Minister's own committee and staff. The Minister was to co-ordinate the policy and activities of the production and economic departments. This would now be in the nature of an expeditor superior to the departments. By the November change, the hiatus between fiscal policy and economic planning was abolished.

Some changes (already noticed) in the ministerial committees and the auxiliary agencies naturally followed. The Lord President's Com-

mittee still remains for noninternational, non-economic coordination and planning.

The ascendancy of Sir Stafford Cripps since his double promotion is evident. Most of the younger men in the Government are Cripps's friends and proteges. This personal arrangement provides for a slant which is of the essence of every plan. It is one which has been supported not only by the Cabinet as a whole, and by the party, but also by the Opposition, which through its arguments in the Commons mobilized opinion and helped drive the Government toward more attention to the short-term economic problem, to some extent for public and non-party reasons.

The Industrial Productivity Committee. The progress of scientific research is also linked to the deliberations of the Cabinet. Before World War II, the state promoted and benefited from scientific research through the Department of Scientific and Industrial Research, other specialized research bodies belonging to the various departments of the government, and grants to the universities. During World War II Mr. Churchill established a unit of scientific advisers to the Cabinet, of remarkable value to the prosecution of the war. When the Lord President's office became the center of planning under Mr. Morrison, a group of scientific advisers was set up therein, and the advisers participated at appropriate points in the research and planning program. As time passed, this was not considered enough, and in December, 1947 the Government created the Industrial Productivity Committee:

To advise the Lord President of the Council and the Chancellor of the Exchequer on the form and scale of the research effort in the natural and social sciences which will best assist an early increase in industrial productivity and further to advise on the manner in which the results of such research can best be applied.¹⁴

The chairman of the committee is Sir Henry Tizard (formerly President of Magdalen College, Oxford, and now also chairman of the Government's Defence Research Policy Committee), and the other members are government scientists, university scientists, scientists from industry, a member of the Central Planning Staff, the director of the Economic Section of

¹⁴ *Debates*, December 18, 1947.

the Cabinet Offices, and the Lord President's personal secretary.

The Treasury, the Departments, and the Corporations

THE major department of government is the Treasury, headed by the Chancellor of the Exchequer. Its outstanding status is symbolized by the fact that the Prime Minister holds the office of First Lord of the Treasury. The Treasury controls the estimates of all other departments and is the master of the civil service in the sense that it decides the numbers, pay, and qualifications of the entire service. Its Establishments Branch, its Organization and Methods Branch, and its Training Division gave it a part in the managerial planning of all the other government departments. The Treasury's responsibility for approving the budget and its obligation to devise the ways and means of raising revenue make it the engine of fiscal policy which harnesses and is harnessed to the total economic productive and distributive operations of the nation.

In the high state of nationalization which Britain attained in the years following 1945, the Treasury became the master of the Bank of England. Furthermore, the nationalization statutes made the Treasury the financial and accountant superior of the national transport, coal, electricity, gas, and communications corporations—the controller of their development policy, in most cases the guarantor of their loans, and in a sense (as agent for the Cabinet) the weaver of the widespread planning activities of the national corporations. The Treasury combines the major functions of a number of United States agencies—the Treasury Department, the Bureau of the Budget, the credit-granting agencies, the Federal Reserve System, the Securities and the Exchange Commission, and the more important functions of the Civil Service Commission. In a planning nation it has sovereign functions concurrently with whatever department or minister is specifically vested with the direct economic operations planning requires.

When the changes of November, 1947 occurred some planning and administrative changes became necessary. The Chancellor was given a third undersecretary, by the side of the

Financial and the Patronage secretaries, namely, the Economic Secretary to the Treasury.¹⁰ The Central Planning Staff with its director was transferred to become part of the Treasury organization, though retaining its identity. It remains in close touch with the Economic Section of the Cabinet Secretariat and provides interdepartmental services under the direction of the Chancellor of the Exchequer. In this, the staff which served the Minister for Economic Affairs, cooperates.

Consultative Auxiliaries and Working Parties in Industry

IN ORDER to benefit from the industrial and financial experience of private enterprise and the advice and good will of labor at the earliest moment in the inception of plans, and also to gain friendship from those who will be affected by the plans, an Economic Planning Board was appointed on July 7, 1947. The chairman is occasionally the Lord President of the Council and more usually the Chief Planning Officer. The membership consists of three nominees of the Federation of British Industries and the British Economic Council (a private body representing private industry); three nominees of the Trade Union Congress; the permanent secretaries to the Board of Trade, the Ministry of Labour, and the Ministry of Supply; three persons from the Central Planning Staff; and the director of the Economic Section of the Cabinet Secretariat.

There are several other consultative groups. In close touch with the Chancellor, and either directly or indirectly the Cabinet, is the National Joint Advisory Board, made up of employer and employee representatives, which is consulted in the early stages of high economic policy—for example, wages and prices policy. The planning requirements of the nation are disseminated through the National Production Advisory Council on Industry and its regional boards in order to get the maximum agreement and obedience without the coercion of executive commandments to industry. Finally, the Trade Union Congress is consulted at almost every step of major economic and social policy

¹⁰ Douglas Jay, former University teacher, author of *The Socialist Case* (Faber & Faber, Ltd., 1937), 362 pp.

development, for it represents almost all of the organized workers.

Early in 1946 the President of the Board of Trade set up working parties in a number of industries, each consisting of twelve representatives of management, labor, and the public, with an independent chairman. These groups had the task of examining the various schemes and suggestions put forward for improving the organization, production, and distribution methods of their respective industries and reporting on the steps which should be adopted in the national interest to strengthen the industry and render it more stable and more capable of meeting competition in home and foreign markets. Their reports have constituted nothing less than plans for the renewal of the industries, and very far-reaching recommendations have been adopted from them.

The report of the Cotton Industry Working Party, for example, is remarkable evidence of what can be achieved by rational consideration of the state of an industry. It is of first-class importance to students of planning as an exhibition of method in studying its subject—it is a high and conscious exercise in foresight.

The Industrial Organization Act of 1947 implements the activities of the working parties. It applies to industries which are not to be nationalized because it is deemed that private enterprise is better able to conduct them. It enables the Minister, after consultation with the workers and employers organizations, to establish a development council for the industry with the object of increasing its efficiency and productivity. The order establishing such a council requires parliamentary endorsement. Where no council is established, the Minister may make a levy on the industry for the promotion of scientific research. These councils are designed to carry into effect the recommendations of the industrial working parties.

The Civil Service

WITHOUT the assurance that it possessed a body of remarkably competent civil servants at its beck and call, the Cabinet system and its planning auxiliaries could not possibly work with its undeniable if not perfect efficiency. The mind, loyalty, integrity, and devotion of the civil service are essential and avail-

able at every stage of thinking, organizing, and commanding: in the Cabinet Offices, in the Central Planning Staff, as links between the Cabinet committees and the departments as contributors of forecasts and facts marshalled by the many individual departments, at all the points where collective thinking and recommendation are transformed into executive direction from the top level of each government department downward. Now more than ever has it become vital to recruit the 4,000 members of the administrative class from among the ablest, the most vigorous and imaginative men and women of the generation to direct the brains and energies of three-quarters of a million central civil servants, two million local officials, and about two million workers in the national corporations. The civil servant is the backbone of the planning system—and administrative coordination begins at college.¹⁷

Survey

THUS, the British Cabinet is surrounded by expert help channelled directly to it, or to its committees, or to individual ministers who can thereupon better contribute their own and their department's part to the knowledge and sagacity required by the Cabinet. Continuously, an ascending stream of figures, facts, interpretations, forecasts, will-creating and will-created probabilities, sifted and reflected upon, reaches the Cabinet, where decisions are made or the raw material of decision is converted into recommendation and command. Continuously descending from the Cabinet, through its departmental assignments and through its committees, flows a general commitment of will and policy, initiative and determination on the course to be followed, but asking guidance, advice, and the facts which settle the bounds and pace of the possible.

It will be observed that the planning system is different from politics like the French and the Weimar German which set up economic and social councils. Also discarded were proposals like that of Sir William Beveridge for an

¹⁷ For a full discussion of the universities and the provision of top administrators to meet contemporary responsibilities, see the forthcoming third edition of the author's *The British Civil Service* and his *The Theory and Practice of Modern Government*.

economic general staff, a body of planners outside the departmental scheme and outside the Cabinet to develop and hand on a plan to the Government as the executant. Statesmen were rightly skeptical of an arrangement which would vest a planning function in a group of men who are not inside the administrative organs, not saturated with detailed knowledge of operating possibilities, not responsible for final decision and responsible execution.

The various bodies that have been described as offshoots of the Cabinet or created by it to offer assistance from outside are in continuous, busy, and intermeshed operation, the drive coming from the Cabinet, the ministers, and the House of Commons urging on by exhortation, alternative proposals, questions, debate, and storms.

Thus, the Cabinet arrangements in the center of the system may be visualized as a pyramid. At the summit is the Prime Minister acting through the whole Cabinet and his chairmanship of the Economic Policy and Defence Committees. For his assistance, he is flanked by three ministers—the Chancellor of the Exchequer, the Lord President of the Council, and the Foreign Secretary. These, again, marshal the activities of other Cabinet and non-Cabinet ministers through committees, ministerial and administrative. There is both devolution of work and responsibility and integration of mind and objective. Mr. Atlee, in his academic days especially interested in social administration, is particularly proud of his personal part in the reforms since 1945. Truly, the wise administrative scientist need not despair of entering his promised land!

It will not be forgotten that what may seem

to be heavy bumps on the planning track are the product of the planning will of ministers as they grapple with the aftermath of a worldwide brainstorm that destroyed about one-fourth of all the wealth of Britain and grapple, too, with the problems resulting from the decision of a people (at least more than one-half of the electorate) to establish greater efficiency in production and a broader equality in the distribution of wealth. In the three years since August, 1945, they have accomplished a remarkable feat:¹⁸ they have brought back the soldiers and sailors; restored the women to their homes; reconverted industry and commerce; nationalized the Bank of England, the coal industry, transport, electricity, gas, civil aeronautics, and all communications; established a full national health service; begun a far-reaching agricultural restoration and development; instituted plans for overseas economic development; renewed several industries; guided the expenditure of over \$5 billion on a rehabilitation of factories and plant; and kept equitable rationing of food, clothing, and household equipment, while distributing manpower, capital, and physical facilities to restore the export trade. There have been mistakes, but no such massive reforms have been seen in Britain since the era 1832 to 1848. In 1848 a new England emerged; in 1948 out of poverty mind is producing a more widely happy splendor. All this is taking place in conditions of planning more nearly resembling the retreat from Tobruk than the preparation of the victory at El Alamein.

¹⁸ Cf. Finer, "Planning and Nationalisation in Great Britain," 57 *International Labour Review* (March and April, 1948).

Administrative Reorganization in the Greek Crisis

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ARTICLES appearing in *Time* and the *United States News* have described difficulties experienced by American missions in Mexico and Japan. In Mexico, a number of American specialists under the direction of the U. S. Department of Agriculture are working with the Mexican government in an effort to stop the spread of the hoof and mouth disease along the international border. In Japan, American experts with SCAP are helping to put into effect a new Constitution which provides a different form of government for the Japanese. In both countries the Americans have been beset by difficulties which include the language barrier, a disinclination to change from a traditional way of doing things, and differences in temperaments and customs. There has also been a lack of trained personnel accustomed to working with foreign officials in handling emergency situations where there is little time available for careful investigation and none for experimentation.

These same difficulties have been experienced by the American Mission for Aid to Greece where for over a year American military, economic, and government specialists under the able leadership of former Governor Dwight P. Griswold have been fighting to keep Greece from being overcome by communists and helping that country to recover physically and economically from the tremendous war damage which she incurred. More than \$350,000,000 were spent in this endeavor during the fiscal year ended June 30, 1948.

When the American Mission was invited to

Greece it was felt that a strong, well organized Greek government would speed the end of the civil war and further reconstruction; accordingly, in the formal agreement and exchange of notes between the two governments the United States government was requested to send specialists in public administration to assist the Greek government in improving its administrative organization and strengthening the civil service. This corps of specialists became the Civil Government Division of the mission. Other divisions are composed of specialists in agriculture, commerce, health, labor, law, public finance, and public works. The mission is also served by military advisers.

The objectives of the Civil Government Division are to improve government organization and procedures, to decentralize administration, to improve the civil service, and to stimulate vocational training. The division also has the immediate task of assisting the Public Finance Division in its effort to safeguard American funds through supervising the budget and finances of the Greek government. By agreement between the two governments the mission must approve the adding of personnel to the Greek government, as well as promotions and other personnel changes. All major pension changes are also subject to mission control. The Civil Government Division must see that these controls are exercised. The division also consults frequently with other divisions of the mission as well as with the Greek government on problems of intergovernmental relations and general administration. For instance, the Greek government in establishing a new government for the Dodecanese Islands which were recently acquired as a spoil of war fol-

NOTE: From July, 1947 to July, 1948 the author was director of the Civil Government Division, American Mission for Aid to Greece.

lowed many recommendations made by the division.

A brief description of the general situation in Greece may be helpful in understanding the problems encountered in governmental improvement. Headquarters of the mission are in Athens near historic Constitution Square in the shadow of the Acropolis. Life is pleasant in Athens; the climate is warm and the people are hospitable. However, it should not be forgotten that not many miles away people in substantial numbers are being killed and terrorized; that Cabinet ministers with whom one does business on occasion get assassinated; that friends with whom one works are sometimes murdered by communists. It is disturbingly apparent that most of the Greeks have been impoverished by an inflation second only to that in China and that a great majority of the populace are poverty stricken, undernourished, and poorly housed. In fact, Greece like China is punch drunk—demoralized, hungry, and mentally almost a case for a psychiatrist. War, Occupation, Rebellion, and Inflation are the particular Four Horsemen that have wrecked and demoralized the country. Coupled with these ills is one more terrifying—the uncertainty of the future. Every Greek knows that without Allied aid the communists will take over.

The general situation is not improved by the fact that the Greek inherently knows that his small rocky land has for centuries been a spot of great strategic importance between the East and the West and to those jockeying for power in Europe. As one of history's crossroads "Where Destiny Changes Horses," Greece is well aware of its strategic value. Some cynics assert that Greek politicians would rather trade in strategic sites or rely on the charity of their country's allies than to undertake distasteful economic and governmental reforms. That such reforms are needed has been apparent for many years and it is one of the major purposes of the mission to bring them about.

Governmental Organization

THE Greek government is a constitutional monarchy, with a king, a prime minister, 21 ministries, a parliament of 354 members, and a judicial system patterned after that of France. In addition, there are five provincial governors

general. Administratively, the country is divided into 47 nomoi which are similar to counties, 150 eparchies or election districts, 169 cities, and 5,642 small communities. There is little local self-government. In most areas local elections have not been held since 1939; interim mayors have been appointed by the central government. Nomarchs or prefects are also appointed by the central government. There are sixteen political parties represented in Parliament; the Populist party has a majority, but the Government is a coalition. The Prime Minister is a Liberal and the Deputy Prime Minister is a Populist. The basic difference between these two parties is that the Populist is monarchist while the Liberal is republican. The Greek government is one of the most completely centralized in the world or in history—practically every decision is made in Athens.

Each of the ministers is supreme in his ministry, and he operates it almost as his private domain. What little administrative cooperation there is within a ministry or among ministries is accomplished through legally constituted committees. Responsibility is diffused among committees rather than centered in individual officers. The fact that members receive pay for every committee meeting attended helps to make the committee system a popular institution in an impoverished country; it also helps to explain why decisions are reached only after great deliberation and numerous meetings. When a problem is highly controversial or of great personal concern to a minister it is easy to postpone action almost indefinitely. Also, many public officials are lethargic and timid. The result is great inefficiency and small accomplishment.

The ministers are greatly overburdened, and they work without the help of administrative assistants or competent secretaries. Although ministers are subject only to the formal and ineffectual policy control of the Cabinet, relatively simple matters often require the formal action of first the minister and then the Cabinet. Ministers are accessible to almost anyone no matter how minor the person's request; they are therefore besieged by hundreds of petitioners. A minister is responsible for making every decision of concern to his ministry; he is required to sign all its communications; he is a

member of Parliament and must attend its lengthy sessions. To add to their burdens, some of the ministers are leaders of important political parties.

Another administrative problem arises from the existence of hundreds of irresponsible "legal entities of public law" which are semi-private agencies receiving state aid and carrying out programs of a public or semi-private nature. Almost as many people work for these legal entities as are employed in the civil service. There is no policy control over their activities or real financial check by the Minister of Finance or any other minister.

The Greek fetish for legal forms and red tape results in an extremely rigid administrative organization. Almost every civil servant is a lawyer so it seems to require a law to do the simplest things. The various ministries have established numerous competing units and perform functions also performed by other ministries. The result is conflict and duplication throughout the government.

By American standards the working methods of the Greek government are inefficient and its facilities inadequate. There are few typewriters, few if any adding machines, and no comptometers. Telephone service is limited and office equipment, including file cabinets and even desks and chairs, is scarce. The buildings are overcrowded, poorly lighted, and usually insufficiently heated. Conditions in the provinces are even worse. The methods of handling correspondence and the flow of documents are cumbersome and inefficient, frequently indicating an attempt to make jobs rather than to operate with as few employees as possible.

Improving Organization and Procedures

THE Civil Government Division attacked its job on three fronts. First, it made organization and method surveys of the ministries in an endeavor to secure more efficient operation at lower cost; second, it served as a consultant on governmental problems to other divisions of the mission; and third, it furnished leadership to the Greek-American Committee on Government Organization. The Greek-American Committee, composed of top administrative officials,

was established by law to work with and advise the mission on administrative methods and techniques.

During its first year the Civil Government Division completed organization and method surveys of fourteen ministries. Comprehensive reports on these surveys were submitted to Parliament and the leaders of the Government, but great difficulty was experienced in getting the ministries or the Government leaders to pay much attention to the recommendations they contained. As long as the American government was underwriting the Greek deficit, Greek political leaders were not interested in administrative reforms aimed at economy—particularly if they meant the dismissal of inefficient and unnecessary civil servants. This situation, of course, is not peculiar to Greece. Months of almost fruitless negotiation were spent in trying to get some of the ministries to effect even the most obvious improvements. One of the department heads rationalized this failure to act when he answered a particularly critical complaint about poor administration in Greece by saying that it was easy to understand because "after all, Greece is a poor country"! A few of the ministries have attempted to apply certain portions of the recommendations. Four have set up reception centers. There have been some consolidations of sections and bureaus in some of the ministries and efforts have been made here and there to improve procedures such as handling of correspondence, but in the main little has been accomplished compared to the amount of effort expended.

As consultant to other mission divisions civil government specialists have been able to effect numerous small procedural and organizational improvements particularly in handling supplies and in encouraging agricultural and industrial production. In these instances the threat to withhold American aid has been the club that forced the changes.

American participation on the Greek-American Committee on Government Organization has been effective in cleaning up some of the more obvious administrative messes brought to the attention of the committee, but much remains to be done. Extraordinary amounts of effort and time have been devoted to the task of carrying on the work of the joint committee,

but the language difficulty, conflicts in temperament, and different customs have been handicaps to achieving very much. However, the groundwork has been laid and the future may bring more concrete accomplishment.

The Civil Service¹

THERE is little doubt that the Greek government has twice if not three times as many employees as it needs. As in many other war-torn and impoverished nations the civil service has been a refuge for thousands of the unemployed. There were 80,000 on the civil service rolls in July, 1947; an additional 60,000 were employed by legal entities of public law such as independent government agencies and municipalities and villages. Thus, approximately 140,000 were employed to carry out national and local governmental services for an area the size of Illinois with a population of seven million.

At one time Greece had the most efficient civil service in southern Europe but there was a great deterioration during the German occupation and following liberation. During the occupation thousands were added to the rolls as a relief measure and to harass the Germans. Since liberation, as a result of unstable political conditions resulting from the civil war, there have been nearly a dozen governments. Each resulted in a new set of ministers, with each minister appointing numerous relatives and supporters to the civil service. There is no record in the postwar period of any Greek resigning from the civil service, and although some employees were purged for political reasons or because they were known communists, few were severed from the civil service for incompetence or reasons of economy.

With so many on the payroll and office space so limited it was almost impossible to work efficiently. Many employees came to the office only to claim their pay checks. The government observes thirty-five holidays a year, sometimes more; private business has 50 per cent fewer holidays. In July, 1947 the civil service was

working approximately twenty-five hours per week—from 9 A.M. to 1 P.M. Employees who bothered to return to work in the afternoon, usually from 5 to 7 P.M., were paid "overtime." Many employees held other jobs at which they worked in the afternoons and evenings. For this they could hardly be blamed; because of inflation their salaries were fantastically low. As might be expected numerous devices were resorted to to increase the take-home pay of the employees. Committee pay, allowances of various kinds, and Christmas and Easter bonuses are examples.

In Greece civil service examinations are rarely held and promotion is strictly on a seniority basis. Inflation is so serious and pensions are so low that older employees continue working beyond retirement age; accordingly, advancement is very slow. There is no incentive for young employees in the Greek civil service. As a result the entire service has become lethargic and almost incapable of operating. There is no central personnel agency and each ministry handles its own personnel problems.

The pension system is also chaotic. There are approximately 140,000 on the rolls and pensions account for approximately 25 per cent of all nonwar expenditures. Since the pension system is a direct charge on the budget and employees do not have to contribute, pensions have been adjusted upward frequently in response to political and inflationary pressures. Pensions are frequently inherited, many receive more than one pension, many have been voted pensions for personal or political reasons, and others after being pensioned become employed by legal entities or state banks and continue to draw their pensions although they are on the government payroll. Greek officials have estimated that the elimination of these and other obvious abuses would result in the removal of 20,000 "dead heads" from the pension rolls and a budgetary saving of at least 20 per cent.

Soon after the arrival of the mission the civil service union submitted demands to the government for pay increases and threatened to go on strike if the demands were not met. The mission was reminded that the British Economic Mission had parried the union's insistent demands through the early months of 1947 by

¹ William G. Colman, who was deputy director of the Civil Government Division, and who had had experience as personnel director in Missouri and Oregon, was adviser to the Greek government on civil service matters.

hinting that increases would be forthcoming when the well heeled Americans arrived. There was no question that increases were warranted despite the threat of increased inflation. Civil service salaries were far below those paid in business and banking. Obviously if the mission was to succeed in bringing about the recovery of Greece a more efficient and better paid civil service was essential. The problem was not lessened by a Cabinet crisis that lasted for some weeks after the mission's arrival. Although some services went on strike the movement never became government wide because the mission acknowledged that serious inequities existed. After prolonged negotiations, the mission agreed to approve an increase in expenditures necessary to cover salary raises, which averaged roughly from 30 to 35 per cent, provided that the government would take certain steps to curtail abuses in the civil service. The government agreed to freeze all new appointments to the government services; to reduce civil service strength by 15,000; to eliminate overtime pay (which amounted to almost 25 per cent of the personal service budget); to reduce committee pay; and to institute a 40-hour week for government employees.

The Ministry of Finance had the responsibility of administering the agreement, and the division the uncomfortable task of seeing that this responsibility was carried out. For months after approval of the agreement the division and at times the chief of the mission were engaged in a constant battle to maintain it.

The dismissal of civil service staff is never an easy thing to accomplish nor is it popular politically. In Athens where the main support of the press comes from the purchase of papers—there is no advertising—and where the civil servant makes up the bulk of the population, this program of civil service reform was received very critically by the press. Some papers admitted editorially that it was necessary but in the main the reaction was violently anti-American. In addition to press opposition which reached the point of character assassination, coupled with suggestions that the Americans go home, delegations of discharged employees and their representatives made life most uncomfortable for the Minister of Finance. He succeeded in

alleviating his suffering by referring them to the mission.

The first five or six thousand persons discharged were all temporary employees. Many were wives or daughters of employed civil servants, others were dual job holders.

To discharge permanent employees for reasons of economy and efficiency was practically unheard of although political purges were not unusual. It was therefore necessary for the Minister of Finance to attempt to secure passage of an act permitting the discharge of permanent employees. A bill was drafted and introduced, but after weeks of palaver the Cabinet decided it would be unconstitutional. In the meantime all the employees were continuing to receive their salary increases. Some reductions were made, however, through the reorganization of certain ministries and the elimination of bureaus and departments. In the end more than 8,500 employees were dismissed.

Some of the ministries discharged vital personnel rather than the drones, presumably in an effort to teach the Americans a lesson. For example, all rural mail carriers were laid off, telegraph operators or supervisors were dismissed, and important personnel assigned to the British Police Mission were fired. (Those employees who were essential were immediately re-employed.)

Efforts were made to secure jobs for those dismissed on the reconstruction projects which the mission was initiating but few civil servants wanted to do this kind of work or were qualified for it. It was considered demeaning to work on a project when one was a "white-collar" worker.

It was later discovered that some ministers had arranged for certain private businesses which were state subsidized to absorb their discharged employees. For a time there were almost as many employees working in the bread-baking business as there were loaves of bread produced. The effect on the price of bread can be imagined.

A question may be raised as to why the mission was so insistent on reducing the civil service rolls. In answer, it should be remembered that the Greek government requested American aid for the purpose, among other things, of improving its administration and civil serv-

ice. American funds in the amount of \$350,000,000 were being expended in Greece, in part for underwriting the government's deficit. Holding the budget in line and enforcing staff reductions saved the government approximately \$10,000,000 annually. The inflationary balloon was also somewhat deflated.

Efforts to reduce expenditures for committee work were only partly successful. An unfavorable court decision prevented the Minister of Finance or the mission from doing very much to eliminate this subterfuge to secure an increase in salaries. The attack on the committee system resulted in many long arguments with leading Greek administrators and political scientists as to the merits of the system. It was difficult to prevent the setting up of committees to study the committee system. As a device for diffusing responsibility and the blame for unpopular action, the committee system is unequalled. It is one of the worst evils with which the Greek government is afflicted but committees will probably continue as long as there is a Greece and committee pay.

Overtime was another subterfuge for increasing take-home pay. One-fourth of the civil service was receiving pay for overtime when the mission arrived, some up to 75 per cent of their regular salaries. The system was discriminatory and in most instances obviously dishonest. It was supposedly abolished in September, 1947, but in a number of instances ways were found to continue it.

For example, after the mission made exceptions to permit overtime to be paid in certain seemingly meritorious instances in one ministry it was found that instead of the 50 approved for overtime 8,000 were receiving it. All other ministries, of course, requested similar treatment. It was thereupon decided to abolish overtime altogether, and in exceptional cases to rely on an additional shift, staggered hours, or compensatory time off to get necessary work done.

When with mission approval the Minister of Finance stopped all overtime various actions were taken to force a reversal of policy. Employees used the "slow down" technique to enforce their demands. The custom service refused to clear TWA plane passengers and air express, claiming lack of help. American cargo was left sitting on the docks and badly needed

oil was kept in tankers while the overtime issue was argued. Efforts to introduce the Greek public official to improved procedures for handling customs and the petroleum pool ended in the small American staff almost operating the pool and administering the customs service. The Government was too weak to enforce the complete abolishment of overtime and in the end some concessions were made—oil and badly needed supplies could not be held up indefinitely. Before the staff was fully aware of it, 80,000 parcels were allowed to pile up in the post office. Here, again, endless effort to improve completely outmoded procedures for handling parcels went for naught. The majority of the parcels contained badly needed food and clothing sent by Americans to the Greek people, yet the clamor of the press and the public for the gift packages went unnoticed by the Ministry of Posts. Finally, army personnel had to help relieve the situation and it was necessary to make a further adjustment in wages to temporary employees. Another bluff which was called was the threat of the prison guards to walk out if their overtime was not continued.

Although it was impossible to hold the line completely on the overtime issue and some exceptions had to be made, the final result was highly successful and the general overtime racket was pretty completely abolished. The battle to end this abuse was so severely prosecuted that the ministers who did not have a fully justified case gave up. It may appear to the reader that the American policy and methods were overly severe. Possibly they were, but previous missions, and at first the American, had tried a more moderate approach and the end result was continued governmental chaos and increased inflation. Moreover, it should be remembered that the Greek government agreed to these strict governmental reforms and the mission was requested to help enforce them.

The mission's efforts to restore the 40-hour week throughout the government service were successful. Most employees had been working from 25 to 32 hours per week, but organization and method surveys bore out the original surmise that many were not working at all. Yet there was much to do to further the nation's

recovery, to feed the people including refugees, and to supply the army.

In addition to assisting the Ministry of Finance in its task of carrying through the civil service agreement the Civil Government Division has worked on legislation to establish an over-all personnel agency. This draft legislation is modeled after recent civil service legislation adopted by several American states and recommended by the Civil Service Assembly.

Any real reform of the Greek civil service will require constant attention and greater political courage than the Government has shown in the past. It is probable that little will be done without American support. For the present the civil service union and those ministers whose strength depends upon the entrenched officeholder will probably be able to block fundamental reform. It may be secured at some future time in return for a salary increase.

As in the case of so many other things Greek public officials would like to improve the civil service; all realize that improvement is needed. American assistance, even intervention, in support of civil service reform is desired by many of those in high places in the Greek Government. Continuing American interest in this program is fully justified on the basis of economy and the necessity of having honest and capable civil servants to administer reconstruction and rehabilitation programs financed by ECA funds.² But there are serious obstacles to be overcome. It is so much easier to hope for reform by indirection or gradual transmutation, or to delay action until another Government takes office. There are language difficulties and differences in temperaments. In Athens one frequently hears: "But you don't understand the Mediterranean mind"—usually said in criticism of some American Mission member who has insisted that something should be done today and not tomorrow. Americans must also constantly remind themselves that action on "hot" issues is sometimes delayed or dropped

in their own country and that they should not expect more from others than from themselves.

Pension Reform

No other effort at reform generated more political heat than the attempts to reduce the number of pensioners. This group has great political influence in Greece because practically every politician, or one or more members of his family, receives a pension. Many of the Greek members of the mission received pensions—either inherited if they were young or presumably earned if they were older. All of the varied interested groups wanted more and larger pensions, not a revised and contracted pension system.

It was not unusual to have delegations numbering up to 500 crowding the stairs leading to the office of the Minister of Finance lobbying for more pensions. On one occasion they broke through his door. His stock reply to these delegations, and an honest one, was that the "Americans had his hands tied and would not permit higher pensions." On one occasion a pensioner had a tantrum in the hall by the Civil Government Division and had to be carried out by the police. Frequently, women became hysterical at pension interviews. Most of these scenes were brought on as a result of the activities of professional organizers. The telegram barrage was resorted to frequently and even the social lobby was tried.

After the recommendations for the reduction of pensioners had been made and had the personal endorsement of the Finance Minister, although not his open support as that would have meant political suicide, they were referred to the Prime Minister and Cabinet for action. After many weeks of discussion the Cabinet decided that to revise the pension system at that time would be to risk "severe social consequences" and that attention should be given solely to removing those pensioners from the rolls who were known to be receiving pensions illegally. Underlying the whole problem, as in the case of civil service dismissals, is the absence of any public assistance program which can absorb pensioners and civil servants having no means of support other than an illegal pension or an unessential government job. Efforts at pension revision were thus successful only in

² At this point, it is worth noting that public administration units will be attached to each of the special missions being sent to the sixteen countries receiving aid under the Marshall Plan. This step has been taken as a result of the experience with this type of help in Greece.

putting an immediate stop to the constant addition of unjustified pensioners to the rolls and in purging some of the more fraudulent cases from the rolls.

Government Decentralization

A CHRONIC fault of government in Greece has been its overcentralization. Local self-government and local administrative initiative have been stifled. Little can be done in the provinces because of the delay in getting approval from the capital. Provincial officials have been unable to act during emergencies or to handle vital matters arising from the civil war. Decisions on such matters as the following have had to be made in Athens:

1. The employment of a school teacher, a janitor, or a justice of the peace in even the most remote village in Greece.
2. Approval of applications for import licenses—which are required for every private import.
3. Registration of the sale of the smallest piece of farm land.
4. Permission to start a new business, no matter how small or remotely located.
5. Military promotions including minor promotions in the field. The Greek General Staff has been known to spend up to two hours debating the promotion of a second lieutenant serving in some mountain division.
6. Issuance of all drivers licenses.
7. Local tax questions which should be settled on the spot.

Government decentralization and the watering down of Athens authority and domination would in the estimation of many do much to end the civil war. The provinces and municipalities have a strong case when they charge that Athens "takes all and divulges little."

Field trips quickly revealed the seriousness of the situation and the Civil Government Division undertook the development of a decentralization plan. The usual difficulties attended the work. The Greek members of the Joint Greek-American Committee on Government Organization were at first opposed to doing anything: they were appointed presumably to bury the idea, and at the outset they almost succeeded.

Popular support for decentralization developed, however, as the committee held hearings

throughout the country. The arrival by plane of Athens officials who had not set foot in the provinces since the war was newsworthy in itself. Parliamentary support for the plan increased and political leaders were soon clamoring to attend the hearings. At an overflow hearing of over 200 in Salonika the leader of the Populist party and Deputy Prime Minister endorsed the proposal. In the end the Prime Minister and most party leaders, including those of the principal opposition party, were on record in favor. Although some of the ministers who were opposed to the plan threatened to resign and overthrow the Government no such action occurred. The Greek members of the joint committee were themselves finally convinced after months of hearings on the necessity of doing something and became somewhat cautious and timid advocates.

The budget provided \$1,000,000 to carry out the American plan for decentralization and the Government gave assurances that Parliament would enact the necessary constitutional amendment and enabling legislation. Whether hidden opposition will sabotage the plan before it becomes effective remains to be seen. It has taken months of effort to get the constitutional amendment and necessary enabling legislation drafted and approved by the committee. It would be a slow and difficult job in any country. It proved especially difficult in Greece because of legal and fiscal problems and the attention that must be paid to custom and tradition. Difficulties in translating Greek legal terms and statutes added to the confusion. The excitable temperament and superstitious nature of the Greeks did not simplify the task.

In the meantime some progress in decentralization has been made. For example, a regional office was established in Salonika to assist in administering foreign trade; the Ministry of Supply and Distribution was reorganized on a decentralized basis; and the administration of the refugee and other welfare programs followed the basic outline of the American plan.

Conclusion

ON TWO fronts, the military and the economic, Greece with American aid has made considerable progress, but on the third

front, that of governmental reform, little improvement may be noted. Despite the availability of American technical assistance and constant urging from the mission, the Government has seemingly been loath to attempt any important changes in governmental structure or operation which would infringe upon or inconvenience various entrenched political and economic interests. Government reform is a slow process wherever it is undertaken. On the other hand, other European countries have been considerably more energetic than the Greeks in meeting their postwar problems. The reforms thus far effected have been negative in nature—the imposition of strict personnel and fiscal control. It is estimated that the reduction of governmental personnel by nearly 9,000 and the elimination of other abuses that has been described here resulted in over-all savings in the budget of approximately \$10,000,000.

There is little incentive in the Greek government to bring about reform. There is too much opposition from those threatened with the loss of pay, pension, prestige, or patronage. It is therefore necessary that American representatives in Greece continue to drive for governmental reform and continue to encourage all efforts on the part of the Greek people and their government in this direction. It will be necessary to have the full support of the European Cooperation Administration in this

endeavor if recovery is to be furthered and American funds conserved.

During the past year the foundation has been laid. Surveys have been made, legislation has been drafted, and an administrative management agency is being established under the auspices of the Greek-American Committee on Government Organization. It is expected that it will be equipped with a strong staff and adequately financed.

Future improvements will depend in large part upon the sincere interest of Greek public officials in an honest and capable civil service. While leaders of the Government have not given evidence of any intensive desire or will to improve the country's administration, there is a small group of public officials and students of government who do have an interest in doing something constructive. The formation during the past year of an Athens Chapter of the American Society for Public Administration in which members of the mission and Greek officials and experts participate should be helpful in stimulating the desire for improved public administration in Greece.

The principal hope for the future, then, lies with a few public officials, with the Greek-American Committee on Government Organization, with the Ministry of Finance, and indirectly with the Athens Chapter of the American Society for Public Administration.

Selecting Supervisory Mediators Through Trial by Combat

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THE increasingly important role of government as peacemaker in modern industrial relations has emphasized the need of procuring able personnel to staff official agencies. To exclude the most glaringly incompetent is relatively easy. To select the most competent for retention and promotion is more difficult.

Is success in mediation based on knowledge of the law or familiarity with the terms of labor contracts or facility of speech or a good cultural background? These assets are valuable, of course, but they are not the basic ingredients of success.

Ability to get along with others, the skill of leadership, the right mixture of firmness and tact, capacity for being accepted by a group, quickness of comprehension, mental alertness—characteristics such as these distinguish a successful mediator from a mediocre one.

Is it possible to observe and measure these traits in any objective way? Can a group of individuals be brought into a situation which will make it possible to identify those who are outstanding in these personal qualifications? Can this be achieved under the restrictions of a civil service system?¹

¹ The New York State Civil Service Law (Chapter 7) provides that "examinations shall be public and shall be practical in their character and shall relate to those matters which will fairly test the relative capacity and fitness of the persons examined to discharge the duties of that service into which they seek to be appointed" (sec.14); it also prohibits discrimination on account of race, creed, color, or national origin (sec.14b), provides preference for war veterans (sec.21), classifies the furnishing of special information to a candidate as a mis-

The Department of Civil Service of the State of New York was convinced that a new type of examination could perform this difficult feat. This technique, known as the group oral performance test, had just been used successfully by the department in selecting regional health directors for the state. It had originally been developed in Great Britain; it had been used experimentally by the United States Civil Service Commission;² and it had been employed to differentiate among the applicants for a group of noncompetitive positions in the New York City Department of Health.³ So far as is known to the authors, New York State is the first jurisdiction in the United

demeanor (sec.24), prohibits the influence of political opinions or affiliations on selection or appointment (sec.25), prohibits the setting of either minimum or maximum age limits except for "positions which require extraordinary physical effort" (sec.25a), prohibits discrimination based on blindness or other physical handicap (sec.25b), and provides that "any taxpayer shall have the right to bring an action in the supreme court to restrain the payment of salary or other compensation to any person appointed . . . in violation of any of the provisions of this chapter" (sec.28).

² Milton M. Mandell, "The Group Oral Performance Test," 7 *Public Personnel Review* 209-12 (October, 1946).

³ Margaret W. Barnard and William Brody, "A New Method of Selecting Health Officers-in-Training," 37 *American Journal of Public Health* 715-20 (June, 1947).

William Brody and Norman J. Powell, "A New Approach to Oral Testing," 7 *Educational and Psychological Measurement* 289-98 (Summer, 1947).

Other experiments in testing for leadership qualities are described by Joseph W. Eaton in "Experiments in Testing for Leadership," 52 *The American Journal of Sociology* 523-35 (May, 1947).

States to use this test in the selection of candidates for competitive class positions.

The State Board of Mediation had two vacancies for the position of supervising labor mediator (with a salary range of \$6,250 to \$7,625 per annum, plus a cost-of-living bonus). The duties of this position are:

Under general administrative direction, to have charge of the mediation activities, and of either all or part of the arbitration activities of a regional office of the State Mediation Board; and to do related work as required.

Examples (illustrative only): In his region, assigning mediation of labor disputes in both intrastate and interstate commerce to a small group of Labor Mediators; giving advice and acting as consultant at various stages of the mediation; personally handling mediation cases as occasion warrants; designating Labor Mediators or private citizens to act as arbitrators of labor disputes; keeping informed of labor conditions, of opportunities and need for mediation services; obtaining and maintaining the good will and confidence of labor, industry, other governmental agencies and the public in the integrity and desirability of the mediation and arbitration services provided by the Board; answering inquiries regarding the work of the Board, the provisions of the Labor-Management Relations Act, the State Labor Relations Act, the minimum wage laws and other laws relating to labor matters; as mediator, interviewing major officials of industry and labor organizations in regard to issues in dispute, on matters such as wages, hours and working conditions; conferring with disputants at separate and joint conferences, conveying proposals and counter-proposals, and through clarification, suggestion, and persuasion helping the parties reconcile differences, and effect a peaceful settlement; maintaining records of cases handled in the region and submitting reports to the Board thereon.

A supervising labor mediator is expected to possess "ability to meet and deal effectively with people, to secure confidence and cooperation and to avoid antagonisms, to train and supervise subordinates . . . integrity, impartiality, initiative, good judgment, good address, resourcefulness, tact."

The laws of New York State provide that a supervisory position of this kind be filled by promotion, and that the promotion examination be conducted by the Department of Civil Service.

Ten applicants met the requirement of at least two years of experience as a labor media-

tor in the State Board of Mediation. Prior to his original appointment, each of these candidates had passed a reputedly difficult written test based on the knowledge and skill required for the performance of the duties of a mediator; each was currently serving satisfactorily as a labor mediator. For this reason, and because of the overwhelming importance of the evaluation of personal effectiveness in dealing with contention-laden problems, it was decided that the group oral performance test would constitute the only assembled examination.⁴

Because the work of a mediator requires rapid and skillful adaptation to unknown situations, the candidates were given no advance information concerning the nature of the examination or its subject matter, apart from the statement in the original examination announcement indicating that an oral examination would be held and enumerating the five factors to be evaluated.⁵

The test was conducted by a rating board consisting of William Brody, director of personnel, Department of Health, New York City; Thomas L. Norton, dean of the School of Business and Civic Administration, College of the City of New York; and Walter Gellhorn, professor of law, Columbia University. Brody had been personnel director of the National War Labor Board. Both Norton and Gellhorn had served on the National War Labor Board, Region II, as public member and chairman. Norton was a former member of the State Mediation Board. He and Gellhorn had a continuing contact with the activities of that board through their work in labor arbitration. The test itself was prepared by the examining board.

The Content and Conduct of the Examination

FOR Part I of the examination the candidates were divided into two groups of five. The first group reported at 9 a.m. They were ushered into a conference room and invited to select seats along the two sides of a table, with no one occupying a chair at the head or foot.

⁴ Training and experience, service record rating, and seniority were assigned a combined weight of 6; the oral test a weight of 4.

⁵ In the examination for regional health director, on the contrary, the problems to be discussed by the group were presented to the candidates two weeks before the test. See note 3, above.

Each candidate had been given a large name card, so that the examiners could not mistake the identity of the men they were rating. The examiners sat as unobtrusively as possible at the sides of the room, away from the table though close enough to hear and observe the candidates. When the candidates were seated, they were handed a single sheet which bore instructions and the examination problem itself, as follows:

STATE OF NEW YORK—DEPARTMENT OF
CIVIL SERVICE

No. 5392 EXAMINATION FOR PROMOTION
TO SUPERVISING LABOR MEDIATOR

March 20, 1948

GROUP ORAL PERFORMANCE TEST

PART I

Instructions

The problem set forth below is to be discussed informally by the whole group. You will be rated on the value of your contribution to the group discussion, with special reference to judgment, clearness and quickness of comprehension, ability to speak effectively, ability to deal effectively with others, and knowledge and technique of labor mediation and arbitration.

Speak clearly so that everyone can hear you. The group itself will decide how the discussion is to be carried on. Start the discussion as soon as everyone has finished reading this statement. Continue until a signal is given to stop (approximately 90 minutes later).

Suppose that a newly-employed inexperienced mediator has requested the advice and guidance of this group of his more experienced colleagues. He states the following information, which he has acquired through a preliminary inquiry and which is the full extent of his present knowledge.

On April 1, 1948 the first contract between the X Company and the Y Union (Independent) will expire. The Company is operated by two partners who built up the business themselves and who do not like labor unions. The establishment employs from fifty to one hundred workers, fluctuating somewhat according to a seasonal pattern. It manufactures metal trays, toys, small stapling machines, and the like, which it sells to local wholesalers and occasionally to the F. W. Woolworth Company.

The present contract contains, among other

things, a closed shop provision, a no strike—no lock-out clause, a plant-wide seniority plan, and a minimum hourly wage for unskilled labor of 97½ cents.

The Union's demands in connection with the new contract are

15 cents across-the-board wage increase;
continuation of the closed shop;
contribution by the Company to the Y
Union Welfare & Insurance Fund—three
percent of payroll.

The Company has categorically rejected each of the Union's demands. On its part, the Company insists upon

elimination of union security provisions;
amendment of the seniority clause to provide for seniority on a job or departmental basis instead of plant-wide;
a clause making the Union financially responsible for any damages resulting from violation of the no strike clause.

In November 1947 there was an unauthorized walkout lasting for four days, because the Company without notice changed the starting hour for the working day from eight-thirty to eight a.m. The Company asserts that the walkout caused losses to it of \$2200.

What advice does the group give to the inexperienced mediator about his further handling of this case?

No further instructions were given and at no point did the examiners ask questions or seek to direct the discussion. The candidates read the problem for about four minutes and then commenced discussion. Conversation continued briskly, all of the candidates participating without apparent consciousness that their demeanor was being observed. After forty-five minutes the examiners changed their places along the wall, so that all examiners had full opportunity to see each candidate. When the discussion had continued for an hour and a half, the examiners called a halt; the candidates were excused and were instructed to return for Part II of the examination later in the day.

Before the second group of candidates entered the room the examiners completed their notes and individually made tentative ratings of the first five candidates. Then the next group were seated as their fellow candidates had been and this branch of the examination was repeated.

Interestingly enough, the second group organized its discussion differently from the first; while ideas were exchanged with great vigor, they were in many respects unlike those which the examiners had heard earlier in the day. The second group of candidates, moreover, manifested an awareness of the examiners' presence, and at the outset there was a certain amount of "playing to the gallery"; however, when the signal to halt was given after an hour and a half, the participants had forgotten the examiners and were so eagerly engaged in debate that they were interrupted only with difficulty. Like prize fighters who are too engrossed to hear the signal which ends the round, they "battled after the bell."

It was apparent that the discussion in both groups could have continued well beyond the allotted time, but none of the examiners felt that additional significant evidence would have been forthcoming.

When the candidates presented themselves in the afternoon, they were ushered into a larger room arranged to simulate a lecture room. All ten were seated in two rows of chairs facing a speaker's table some fifteen or twenty feet forward. Three candidates from one group and two from the other were assigned to each row. Behind them sat the three examiners and several official observers to complete the audience. When all were placed, each one was handed Part II of the examination, which was as follows:

STATE OF NEW YORK—DEPARTMENT OF CIVIL SERVICE

No. 5392 EXAMINATION FOR PROMOTION TO SUPERVISING LABOR MEDIATOR

March 20, 1948

GROUP ORAL PERFORMANCE TEST

PART II

Assume that you, as a supervising labor mediator, have been called upon to deliver a talk of *not more than five minutes* on one of the following topics. Each member of the group may select any one of the topics not chosen by a previous speaker.

In delivering the talk, do so as if the group specified were before you now. After you have finished, the members of the group will assume that they constitute the group which you have chosen and will

ask you appropriate questions for a discussion period of *not more than ten minutes*.

The order in which each individual is to indicate his choice of topic and speak on it will be determined by the group. The responsibility for adhering to time limitations upon the speaker and upon the general discussion rests with the group itself.

Speak clearly. You will be rated both on your own presentation and on the questions you ask.

Start the discussions as soon as everyone has finished reading this statement.

1. The Commerce and Industry Association of Greater New York has requested you to speak on the question, "Should wage rates be frozen in order to stabilize the nation's economy?"

2. The Kiwanis Club of White Plains has invited you to speak on the question, "Should Communists be barred from the American labor movement?"

3. The Labor Law Committee of the Association of the Bar of the City of New York is considering recommendations concerning the handling of labor disputes in New York City. It asks you to discuss with it the relations among Federal, State, and City mediation bodies, to indicate any problems which grow out of those relations, and to suggest solutions for such problems as may exist.

4. The American Arbitration Association calls a meeting of employer and employee representatives to discuss the problem of tenure of labor arbitrators. It has been suggested in some quarters that the insecurity of an arbitrator's relationship to his "clients" may affect the quality of his decisions. The AAA is seeking to stimulate an informed opinion concerning the whole matter of selecting and retaining arbitrators. You are asked to speak on the problem as you see it.

5. A training class has been set up for newly-recruited mediators. You are assigned to talk to the class on how you would handle a contract negotiation in which the representative of one of the parties is so markedly uncooperative as to suggest that he is either corrupt or psychotic.

6. A class in the Business School at Columbia University has been studying various management-labor problems. You are invited to talk to the class on the development of a sound grievance procedure.

7. A class in the State School of Industrial and Labor Relations is studying the implications of the Labor-Management Relations Act of 1947. You are invited to discuss the consequences of Section 9(b) (2) of that statute, providing that the NLRB shall not "decide any craft unit is inappropriate for such purposes (collective bargaining) on the ground that a different unit has been established by a prior

Board determination, unless a majority of the employees in the proposed craft unit vote against separate representation."

8. The American Association of Trade Association Executives is holding a convention in Buffalo. You are invited to be a speaker on the advantages and disadvantages of industry-wide collective bargaining.

9. The Maxwell School of Public Administration, Syracuse University, is studying conciliation methods in use throughout the United States. In some areas there appears to be an increasing use of three-man conciliation panels in place of single mediators. Sometime the panels are tripartite in character; sometimes they are composed of three "public representatives." You are asked to comment on this development, at a discussion meeting of graduate students who are not especially versed in labor matters.

10. A committee of the State Chamber of Commerce has been considering a recommendation that a system of Labor Courts be created by the Federal Government. The judges of these courts would be appointed by the President by and with the advice and consent of the Senate, would hold office for a term of twelve years and be removable only for cause, and would receive annual compensation of \$12,500. All unresolved disputes concerning the interpretation and application of contracts would be referred to the Federal Labor Courts for final decision, if the contracts involved interstate businesses. All unresolved disputes concerning the terms of new contracts would be referred to the Federal Labor Courts for advisory opinions, which would not be binding upon the parties. Pending the Labor Court's decision or opinion, the parties would be required by law to maintain the status quo. You are asked to comment to the Chamber of Commerce committee on this proposal.

11. The State Board of Mediation has recently increased its Panel of Arbitrators. The Chairman of the Board requests you to meet with about 10 new members of the Panel who have never before arbitrated a labor dispute and to give them advice on the nature of the arbitration process from the opening of the first hearing to, and including, the submission of the final award.

12. The Rotary Club of Rochester requests you to speak on the subject "The Arbitration of Different Types of Labor Disputes."

13. At a monthly conference of the mediation staff of the State Board you are called upon to discuss your views on the question of whether mediators should also act as arbitrators. (The question has arisen because several staff mediators have frequently been assigned in recent months to arbitration cases.)

14. A new office of the State Board of Mediation has recently been established in Utica. As the new Supervising Labor Mediator assigned to that area, you have been asked to speak before a Layman's Club of a local church on the subject: The Relation of the State Mediation Board to the State Labor Relations Board.

15. A group of employers in the cleaning and dyeing industry in a large city of the state and officials of the local union having collective bargaining agreements with each of the employers, asks you to explain the advantages and disadvantages of a local industry-wide collective bargaining agreement for that industry.

When the candidates had finished reading, they fell into argument as to how best to proceed. In a few minutes agreement on procedure had been reached. Each man expressed a preference for one of the topics. Four or five choices were in conflict. These conflicts were "mediated" speedily; different selections were made until all were satisfied.⁶ One candidate in particular took the lead in organizing this branch of the examination. Another unsuccessfully sought to assert leadership. This discussion of procedure provided the examiners with fresh evidence with respect to leadership ability, acceptance by the group, tact, cooperation, flexibility, and other traits which cannot be adequately evaluated in a written test or in the usual oral interview.

The five-minute talks were delivered in the order of topic numbering. After each speech the remaining candidates questioned the speaker, and rather spirited discussion ensued. Only two speakers stepped out of character for a moment in order to address remarks to the examiners; for the rest, the instructions were closely observed both by the speakers and by the "members of the audience." In most instances the speaker exceeded the five-minute allowance, but not to an extreme extent; the time limitation on general group discussion was on the whole well observed, though frequently with manifest reluctance because the group was really interested in the exchange of ideas.

Rating Factors

THE Department of Civil Service fixed five factors to be rated:

⁶ The topics which the candidates avoided were 1, 5, 9, 10, and 15.

Judgment.

Clearness and quickness of comprehension.

Ability to speak effectively.

Ability to deal effectively with others.

Knowledge and technique of labor mediation and arbitration.

In order to rate these factors, the examining board broke them up into component parts as follows:

1. *Judgment.* Ability to reason, evaluation, perspective, decision.

2. *Clearness and quickness of comprehension.* Awareness of implication, mental alertness, ability to follow instructions.

3. *Ability to speak effectively.* Power of expression, vocabulary, diction, modulation.

4. *Ability to deal effectively with others.* Tact, cooperation, ability to mix, flexibility, ability to assume lead without giving offense, acceptance by group, ability to direct group discussion along proper channels.

5. *Knowledge and technique of labor mediation and arbitration.* Familiarity with technical subject matter, ability to select and marshal data, correctness of basic facts and assumptions, validity of conclusions.

The rating scale was:

0-59	completely unsatisfactory
60-74	failing
75-79	acceptable
80-89	superior
90-100	outstanding

Each examiner rated each of the five factors and divided the total by five in order to arrive at his own rating of the candidate. Then the total of the individual ratings was divided by three in order to establish the final rating. The largest spread between the highest and lowest rating of any single factor of any candidate was eleven points. In most instances the ratings were considerably closer. (See Table 1.) The examining board found the examination to be a revealing one, as their final evaluations attest. The average of the ratings assigned by the three examiners to each of the candidates on the basis of all five factors ranged from a high of 92.07 to a low of 69.33. Four of the ten candidates were given failing marks. Four were given ratings that class them as "superior" (the low in this group was 80.20, the high was 87.33), one was regarded as "acceptable," and one as "outstanding."

The examination itself gave fruitful opportunity for observing the candidates' capacities and attitudes. Excessive dogmatism and excessive diffidence, aggressiveness and timidity, leadership and lack of leadership can readily be detected during the clash of ideas which group discussion develops. Since all the candidates were satisfactory mediators, it was important to single out those who had the special qualities needed by supervisors rather than to re-examine general competence. Hence it was helpful to learn, for example, that some of the

TABLE 1. RANGE OF RATINGS OF THREE EXAMINERS
(Number of percentage points between highest rating and lowest rating on each factor for each candidate)

Factor	Candidate									
	A	B	C	D	E	F	G	H	I	J
Judgment	11	5	10	10	5	6	5	10	5	10
Clearness and Quickness of Comprehension	6	9	10	5	9	5	5	0	5	10
Ability to Speak Effectively	5	10	5	0	6	10	7	9	0	5
Ability to Deal Effectively with Others	10	10	10	5	10	0	5	5	10	10
Knowledge and Technique of Labor Mediation and Arbitration	10	11	10	0	5	5	7	5	5	5

candidates were markedly more effective than others in breaking into a rambling or repetitive conversation without arousing resentment. On another plane, the examiners were able to note that one candidate regularly made suggestions based upon assumptions which were unsupported by the facts at hand; another of the candidates just as regularly pointed out the fallacies in the assumptions and thus exhibited a sharper analytical power than his colleague. The information which was embodied in Part I of the examination raised a number of fairly technical possibilities, either in terms of law or of sound industrial practice; some of the candidates were quick to penetrate the factual statement, others had difficulty going beneath the surface. Some of the candidates were unable to follow instructions; instead of advising a junior mediator how to proceed with the case before him, they transformed themselves into arbitrators who were to decide the merits, or devised general training programs for new staff members, or otherwise departed from the task assigned them. In both parts of the examination some of the candidates revealed deficiencies of information or judgment which raised doubt concerning their ability to guide others.

General Observations

ONE must resist the temptation to state conclusions on the basis of so limited an experience with the group performance test. The following comments are therefore not advanced as universal truths. They are simply gleanings from this single application of the group testing technique.

1. One or more members of the examining board should have a technical knowledge of the field in which the candidates work. A comparative evaluation of candidates' judgment and comprehension cannot well be made without subtle awareness of errors and omissions.

2. The group performance test can be given in an atmosphere of realism which is difficult to inject into the customary oral interview, because the group test can more nearly reflect the sort of situation actually encountered on the job. In the present instance the candidates were genuinely interested in their group discussions. Because the men thought that the test problems were "very practical," they requested the examiners to make the examina-

tion available for use in future training programs. A number of candidates expressed an intention to continue outside the examination room the debates which had commenced within it. Diminution of artificiality is a marked advantage to examiners whose primary interest is discovering how each candidate is likely to react to real life problems.

3. The drawing up of an examination of this type makes possible a sharp and continuing focus on the talents and insights needed in the particular position. An examining board which conducts an oral interview is under the necessity of formulating questions extemporaneously. It must shift emphasis as the interview proceeds. It may be diverted by interesting but essentially irrelevant issues. In the present examination, on the contrary, the problem for group discussion, Part I of the examination, was carefully plotted out in advance, as were the topics to be presented individually in the Part II speaking program. The examiners were able to consider before the examination the points which ought to be brought out by the candidates if their performance were to be deemed satisfactory. There was no necessity to devise fresh questions or new lines of investigation. One of the consequences was that the examining board could devote all its energies to observing the candidates and to making notes. There was no occasion for the examiners to match wits with the candidates or to attempt to impress them.

4. The group test affords opportunity for directly comparative observation which is lacking in the conventional interview. A forceful, dynamic personality may be impressive when individually exhibited to an interviewer; and yet, if other candidates are involved in the same conversation, it may sometimes be perceived that the forcefulness borders on over-aggressiveness. On the other hand, a man may be so quiet and unassuming that an interviewer might perhaps fail to realize his underlying strength; but in a group discussion the cogency of that same man's remarks and his capacity to direct the talk along fruitful channels may make it clear that he is a real leader.

H. E. Dale, writing a few years ago about the British civil service, bemoaned the absence of promotional examinations which would test a man's ability to say in an acceptable way such

important phrases as "Go to hell" and "You have made a fool of yourself."⁷ The group oral test shows promise of presenting evidence of the ability to say these things acceptably.

The chance to observe the group's internal relations would have been valuable of itself. It had an added value, collaterally, of eliminating the inequalities which almost inescapably taint a succession of personal interviews spread over a long period of time. All the candidates faced the same questions. None profited from or was penalized by being near the end of the line of interviews, when the examiners might be less attentive or less vigorous than they had been at the beginning. In the present instance the candidates themselves seemed to take comfort from the fact that they had been present en masse throughout the examining process. There was no room for suspicion that one candidate might possibly have been treated more favorably than another. In fact, the examination itself perhaps persuaded some of the candidates that others had superior qualifications.

⁷ H. E. Dale, *The Higher Civil Service of Great Britain* (Oxford University Press, 1941), p. 78.

5. The elapsed time of the two parts of the examination was approximately six and one-half hours. Each candidate was under the examiners' observation for five hours: one and one-half in Part I and three and one-half in Part II. If the same over-all amount of time had been devoted to individual interviews, each interview would have lasted slightly more than forty minutes. It is doubtful that a meaningfully useful set of interviews could have been completed within the time devoted to the group performance test.

Conclusion

THE group performance test permits fuller observation than the conventional individual oral interview, in less time and with greater interest to the candidates and the examiners alike. It makes possible the reasonably confident measurement of significant personal characteristics which are imperfectly reflected in the more common types of civil service examinations. Application of this technique to new subject matters seems fully warranted.

Federal Budgetary Developments: 1947-48

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THE past year has seen a number of significant developments in federal budgeting practice and procedure. It is the purpose of this article to review these developments, which fall generally into three categories: experience with the legislative budget, the changing character of the budget message, and the more or less technical changes which have been made in the budget document.

The Legislative Budget

THE Legislative Reorganization Act of 1946 (Public Law 601, 79th Congress,) introduced an important new procedure in federal budgeting—congressional determination of an appropriation and expenditure ceiling. Under traditional practice the various congressional tax and expenditure committees did not have, within their established procedures, an opportunity to secure a unified view of federal financial activities. Ways and Means and Senate Finance had acted on revenue measures without knowing the size and character of appropriations under consideration by the House and Senate Appropriations Committees. The twelve committees of the House Appropriations Committee worked in almost complete isolation. There was no opportunity to consider the total impact of appropriations measures. The legislative budget was intended to remedy this haphazard practice. Under the Reorganization Act all members of the four "fiscal" committees—House Ways and Means, House Appropriations, Senate Finance, and Senate Appropriations (102 members of Congress in all) meet shortly after the President transmits his budget

to the Congress. This Joint Committee on the Legislative Budget examines the over-all relation of expenditures to revenues, sets an appropriation and an expenditure ceiling for the current session, and reports this action to the Senate and House where it is adopted by concurrent resolution.

This provision of the Reorganization Act was dictated by a number of considerations. First of all, as indicated, it was intended to provide the occasion for an over-all review of the budget. Dr. George B. Galloway, staff director for the LaFollette-Monroney Committee, contended that this procedure was a necessary modernization of congressional budget planning.¹ Senator LaFollette felt that the most important part of the procedure was not the self-imposed ceiling, but the supervision which could be afforded by the Joint Committee.² Congress should be better informed about federal programs so that it would curb what were regarded as administrative transgressions. The Committee on the Reorganization of Congress stated: "The executive has mingled appropriations, brought forward and backward unexpended and anticipated balances, incurred coercive deficiencies, and otherwise escaped the rigors of congressional control."³ The legislative budget would be an important reform because it would strengthen Congress at the expense of the Administration.

Closely linked with this reassertion of congressional budgetary control was the argument that the legislative budget would achieve economy by balancing the budget annually. Econ-

¹ George B. Galloway, *Congress at the Crossroads* (Thomas Y. Crowell Co., 1946), p. 254.

² Robert M. LaFollette, Jr., "Systematizing Congressional Control," 41 *American Political Science Review* 66 (February, 1947).

³ 92 *Cong. Rec.* Part 8, p. 10047 (July 25, 1946).

NOTE: The author is indebted to Myrtle Gill Nelson, Roger Nelson, and Everett E. Hagen, fiscal division, U. S. Bureau of the Budget, for comments on an earlier draft of this manuscript.

omy would mean further curtailment of the activities of the departments and agencies. This kind of economy explains the support given to the legislative budget by the United States Chamber of Commerce, many taxpayers groups, and numerous congressmen.⁴ It is curious that the Administration did not take the opportunity to define the nature of the executive budget and the responsibility of the Administration for budget-making. Instead, the Secretary of the Treasury and the Director of the Bureau of the Budget supported the legislative budget, and the President on signing the Legislative Reorganization Act stated: "The legislative budget and the provisions on the handling of appropriations will undoubtedly result in clearer and more realistic relationships between the income and expenditure sides of the budget."⁵ In short, the legislative budget had very few critics and was generally stressed as one of the major contributions of the reorganization of Congress.

There has now been experience with the legislative budget in two sessions of Congress and perhaps it is not too early to attempt an appraisal. In the first session of the Eightieth Congress the Joint Committee on the Legislative Budget met early in the session and after considerable debate agreed to cut the President's budget by \$6 billion. This decision was duly reported to the House of Representatives which passed a resolution intended to implement it;⁶ but the Senate refused to adopt the resolution, the majority insisting that the President's budget should be cut no more than \$4.5 billion. This action made the legislative budget inoperative in the 1947 session.

At the close of the 1947 session Congressman Monroney reviewed the progress that had been achieved under the Reorganization Act and contended that the fiscal reforms outlined in the act must be strengthened, not repealed.⁷ The reason the legislative budget had been a failure, said the congressman, was because of the lack of staff work prior to the convening of Congress in January. In September, 1947, Sena-

tor Bridges announced that staff representatives of the House and Senate Appropriations Committees would sit in at Bureau of the Budget hearings.⁸ Information thus gathered would enable the Congress to act intelligently on the legislative budget. The Bureau of the Budget, however, refused to permit congressional staff attendance, apparently on the ground that the Budget and Accounting Act required an executive budget and that the budget hearings were for the purpose of formulating this budget, not for the purpose of providing information to congressmen.⁹

With no more preliminary work than the first session, the second session of the Eightieth Congress fared little better with the legislative budget. A number of Senate leaders favored postponing determination of the expenditure ceiling until more information came up from the appropriations subcommittees.¹⁰ However, it was decided to comply with the provisions of the Reorganization Act in order to announce an early expenditure cut which would justify an immediate tax reduction.¹¹ The Joint Committee on the Legislative Budget eventually agreed on a \$2.5 billion cut in the President's budget. This was reported to the House and Senate and enacted by appropriate resolution on February 18 in the Senate and February 27 in the House.¹² Both the majority and minority members were extremely critical of the legislative budget.¹³ It was pointed out that it was much too early in the session to determine an expenditure ceiling with accuracy, that savings could actually be achieved only through the later work of the Appropriations Committees, and that it was dishonest to claim a savings before it was realized. It was finally decided that the Congressional Reorganization Act ought to be complied with, although there was general feeling that the expenditure and

⁴ *The New York Times*, Sept. 21, 1947, p. 10.

⁵ It was reported that the Bureau of the Budget, had it admitted congressional staff members to the hearings, would have had to hold two sessions—the first without the congressional staff to determine what should be discussed at the hearings with the congressional staff.

⁶ *The New York Times*, Jan. 23, 1948, p. 5.

⁷ *Ibid.*, p. 5; also Jan. 12, 1948, p. 1.

⁸ S. Con. Res. 42; H. Res. 485, 80th Cong., 2d sess. (1948).

⁹ 94 *Cong. Rec.* 1453-62 (Feb. 18, 1948); *ibid.*, 1939-50 (Feb. 27, 1948).

⁴ See the statements of Congressman Dirksen, *ibid.*, p. 10051, and Senator LaFollette 92 *Cong. Rec. Part 5*, p. 6374 (June 6, 1946).

⁵ 92 *Cong. Rec.* 10777 (August 2, 1946).

⁶ H. Con. Res. 20, 80th Cong., 1st sess. (1947).

⁷ 93 *Cong. Rec.* A4048-A4051 (August 15, 1947).

appropriation ceiling was a meaningless gesture.

These two experiences should demonstrate rather conclusively that the legislative budget is faulty in conception and impracticable in operation for the following reasons. First, the Congress cannot intelligently establish a budgetary total until it has examined the components in detail. If the budgetary total is to be set early in the session, this necessitates pre-session work by the staff of the Appropriations Committees. But this kind of pre-session work is a duplication of the responsibilities of the Bureau of the Budget. To do an effective review the congressional staff would have to build up to several hundred employees, even as the Bureau of the Budget has several hundred employees. On the other hand, the Congress certainly needs to be well informed regarding the nature of the programs of the departments and agencies. Some middle position would seem to be called for—a congressional staff which provides more information than has been provided up to this time, and therefore permits Congress to exercise a reasonably well informed judgment, but a staff far short of what the Bureau of the Budget requires to exercise its responsibilities for executive budget-making. The fact that the power of the purse ultimately resides in the elected representatives of the people should not be carried to the point of denying the Executive wide power in budget-making. The power of the purse in a modern government must be a joint power of the Congress and the Executive.

Second, setting an expenditure ceiling early in the session imposes an unrealistic straight jacket on the government's program. If the expenditure ceiling, once adopted, is not observed it would be more honest to eliminate it. If it is observed it imposes much too heavy a restriction on a government which ought to be able to move rapidly to meet changing program requirements. There should be no restriction, express or implied, on the President's authority to recommend additional expenditures as needs arise during the session, or to recommend tax modifications in conformity with an altered economic outlook. Neither should the Congress be hampered in considering the merits of such proposals.

Third, a legislative budget established early in the session does not encourage Congress to examine on a continuing basis the relation between the federal budget and the "nation's budget." Once Congress has disposed of the legislative budget it may well feel that the only job that remains is to bring the components within the totals. As David Cushman Coyle has said:

Liberals might do well to drop the idea of the legislative budget, since it only confuses Congress, which ought rather to be discussing the critical question: do we want a surplus, a deficit, or a close balance next year? . . . any attempt to promise either the budget total or the tax rate in advance is likely to make those who do it ridiculous.¹⁴

The legislative budget has been a failure. Perhaps it was too much a product of the drive for congressional supremacy over the Administration. Certainly the whole Reorganization Act is shot through with a punitive philosophy of putting the Administration in its place.¹⁵ Other postwar periods have seen similar attempts on the part of the Congress to regain ascendancy over the Administration.¹⁶ Then, in time, the secular trend toward greater executive authority in government reasserted itself. The failure of the legislative budget indicates that it is perhaps time to reassert and redefine the role of executive budget-making.

The repeal of the legislative budget would not, however, satisfy the two "legitimate" (non-punitive) objectives of the procedure. It is cer-

¹⁴ David C. Coyle, "Reorganizing Congress," 24 *Virginia Quarterly Review* 18-19 (Winter, 1948).

¹⁵ The Joint Committee on the Reorganization of Congress reported, "A third group of provisions in the substitute is designed to strengthen congressional surveillance of the execution of the laws by the executive branch. Congress has long lacked adequate facilities for the continuous inspection and review of administrative agencies within their jurisdiction." (92 *Cong. Rec.* 10047, July 25, 1946) Congressman Monroney said that the bill was necessary to make Congress coequal with the Administration (*ibid.*, 10039). Senator LaFollette stated, "I believe that this provision [strengthening the standing committees], if enacted, will have a very salutary effect in making certain that the particular delegations of legislative power made necessary, as I say, by the complexity of our modern society, will be carried out in conformity with the intent of Congress." (92 *Cong. Rec.* 6365, June 6, 1946).

¹⁶ Pendleton Herring, "Executive-Legislative Responsibilities," 38 *American Political Science Review* 1155 (December, 1944).

tainly true that the Appropriations Committees need better staffing and more information, and it is also true that there ought to be an occasion for the fiscal committees of the Congress to sit down and take a global view of revenues and expenditures. More adequate staffing and better information should not be too difficult to provide. At some point this kind of staffing needlessly duplicates the work of the Bureau of the Budget, but this point has not yet been reached. The second objective—an over-all survey of income and expenditure—could be accomplished at least partially by lumping all general appropriation bills in one consolidated appropriation bill. This procedure would help to eliminate the piecemeal methods the appropriations subcommittees now employ. The Senate Committee on Rules and Administration held hearings on this proposal in the 1947 session and made a favorable report to the Senate, but the reform failed of enactment in the Senate and was not reported to the House.¹⁷

No mere procedural reform, however, can fully accomplish the desired result. The purpose of the over-all congressional view is to encourage the Congress to give some attention to the fiscal policy significance of the budget—its relation to and impact on the nation's economy. This requires a changed philosophy of congressional budgeting and a departure from the narrow concepts of economy which have dominated recent sessions of the Congress. It must be the responsibility of the Joint Committee on the Economic Report to bring about this changed philosophy. Fortunately, prominent members of this committee have indicated their desire to undertake this responsibility.¹⁸

The Budget Message

IT is a common observation that federal budgeting is realistic only when it is firmly grounded in national income forecasting and when there is an integral relation between the government's program and the economic state of the nation. If the federal budget is to be an adequate budget it must embody the govern-

ment's economic program. This philosophy of budgeting is an outgrowth of the Keynesian Revolution. Its practical application in this country dates back to President Roosevelt's message to Congress of April, 1938, when revenue and expenditure programs were for the first time specifically geared to national income goals.¹⁹ The recession of 1937 provided the occasion for this Keynesian transformation, but for a number of years after this event the budget and the budget message were evolving toward a national fiscal policy plan. In January, 1946 this development resulted in a fusion of the Administration's state of the union message with the budget message.

The creation of the Council of Economic Advisers with additional responsibilities toward fiscal policy planning has altered the nature of the budget message. It is no longer the principal document outlining the Administration's fiscal policy. This document is now the *Economic Report of the President*, originating in the Council of Economic Advisers.

There is an important difference between the approach to fiscal policy employed in the budget message and the approach which must now, of necessity, be used by the council. The budget message works toward fiscal policy from the bottom up—that is, the core of the message lies in an explanation of the agencies' operating programs. Policy considerations are integrated with governmental operations. The council starts with the policy considerations and then traces their impact through to operations.

The 1948 budget message represented a retreat from what might be called a "document of fiscal policy." The retreat is much more marked in the 1949 message. At the outset the President states, "The realities of our existing international and domestic requirements account for the size of this Budget."²⁰ The message is then largely devoted to a justification and explanation of programs already announced in the state of the union message or to be announced in the *Economic Report*.

¹⁹ Arthur Smithies, "The American Economy in the Thirties," 36 *American Economic Review* 11-27 (May, 1946).

²⁰ *The Budget of the United States Government for the Fiscal Year Ending June 30, 1949* (U. S. Government Printing Office, 1948), p. M5.

¹⁷ S. Con. Res. 6, 80th Cong., 1st sess. (1947).

¹⁸ Ralph E. Flanders, "Administering the Employment Act—The First Year," 7 *Public Administration Review* 221-27 (Autumn, 1947).

Not only has this development robbed the budget message of much of its significance, but it also results in three separate presidential messages to the Congress, each with fiscal policy significance. This year the sequence was as follows: the state of the union message on January 7, the budget message on January 12, and the *Economic Report* on January 14. Surely the Administration should do its part in the relief of overworked congressmen who, it has often been remarked, cannot possibly digest even a fraction of the mass of material which crosses their desks. More important, the government's program, of which the budget is an integral part, needs to be presented as an organic whole, not in sections. Details can be put in supplements and footnotes.

The diminished stature of the budget message as a document of fiscal policy may eventually mean a diminished stature for the Bureau of the Budget as an agency of fiscal policy. Before the passage of the Employment Act of 1946 the bureau had major responsibility for the initial formulation of the Administration's fiscal policy. Now it exercises this responsibility coordinately with the council. Coordination is undoubtedly close since the council has chosen not to duplicate the staff of the bureau but to confine its role to "top policy formulation" and "coordination."²¹ However, if the council is effective in discharging its statutory responsibilities it must inevitably assume the role of dominant leadership. It is much too early to attempt a thoroughgoing appraisal of the council's proper and ultimate responsibilities. But in its first two years it has already begun to give an indication of its probable evolution. It now seems likely that the council, given its present membership and outlook, will attempt to occupy the dual role of assisting in the formulation of day-to-day economic policy and of charting the long-range economic program of the government.

The current policy work of the council is specifically required under the terms of the Employment Act. In addition, the council has assumed the responsibility for long-range programming. This is a natural development, which may be justified by the broad termi-

nology of the Employment Act. When the National Resources Planning Board went out of existence in 1943 the Administration was deprived of long-range economic planning in the Executive Office apart from that which might be done incidentally by the Bureau of the Budget. NRPB had made major contributions to research on resources development and had stimulated the research activities of other governmental agencies. It was logical that this gap should be filled by the council.

About half of the President's *Economic Report* of January, 1948 is given over to "Long-Range Objectives for the American Economy." As a first step toward exercising the responsibilities once undertaken by NRPB, the council's efforts are admirable. It is well to be reminded, particularly when an election year concentrates attention on the very short run, that the American economy could provide substantially higher living standards for larger numbers of people in the next decade. The council's first excursion into the long range is, however, a very rough outline, characterized by a rather large number of commonplace generalizations, such as, "the attainment of our objectives will depend upon the best efforts of industry, agriculture, and labor, working with sympathetic understanding of one another's problems and of the common good."²² And, "a growing economy requires balanced expansion of our capacity to turn out consumer goods and crude and semi-finished materials and equipment."²³ But the council makes an important start which should raise the sights of the departments and agencies who must ultimately provide the operating details.²⁴

There is one serious criticism which must be leveled against the council's current conception of its operating responsibilities. Up to this time it has not chosen to defend and explain the President's program to the Congress.

²¹ *The Economic Report of the President* (U. S. Government Printing Office, 1948), p. 56.

²² *Ibid.*, p. 59.

²³ As the council attempts to embrace both the short and the long run, it encounters some of the same conflicts which beset the National Resources Planning Board. For an excellent survey of the area of conflict between NRPB and the Bureau of the Budget see Arthur N. Holcombe, "Over-all Financial Planning through the Bureau of the Budget," *Public Administration Review* 225-30 (Spring 1941).

²⁴ See Council of Economic Advisers, *Second Annual Report to the President* (U. S. Government Printing Office, 1947), pp. 1-6.

The council seems eager and willing to act as the coordinating agency for the Administration and to consult "with business, labor, agriculture, and organized consumer groups,"²⁵ but not with congressmen. The National Resources Planning Board operated in this fashion, but the Bureau of the Budget has never attempted to remain aloof. In fact, the bureau staff has often carried its case to the appropriations subcommittees, viewing this as part of the process of executive budget-making.

It is possible to explain but difficult to defend the council's attitude. It can be explained in terms of the conflicting politics of the President and the congressional majority, of the desirability for a new agency to be cautious and "feel" its way along, and of the general uncertainty regarding the kind of economic world we are going to face in the immediate future.²⁶ But justification is more difficult. Surely it would be hoped that the council has no illusions that it can remain "nonpolitical" by staying away from Congress. If the council is to coordinate national economic policy it must carry its coordinated policy through to the body which has ultimate responsibility. Otherwise there will be those who are quick to destroy whatever unity of policy the council may have been able to develop within the Administration.²⁷ The council's narrow concept of its responsibility is certain to be resented by the Congress. In fact, the last session slashed the council's appropriation request for just this reason.²⁸

Professor Tugwell has recently pointed out in these pages²⁹ that if the council persists in

serving the Executive alone its chances for survival are slim, that what is badly needed is a new executive-legislative entente in central planning, and that "planning tied exclusively to the Chief Executive will never become central planning in any defensible definition of the term. . . ." ³⁰ Senator Flanders has expressed a similar view, implying that this is the major deficiency in the work of the council to date.³¹

There is need for developing new patterns of administrative and legislative responsibility as part of the process of redefining national economic policy. The council could assume the responsibility for developing the new patterns, or it can continue in its present administrative isolation and make limited contributions to economic planning and economic stabilization.

The Budget Document

THE presentation of the budget of the United States government has improved consistently over the years, particularly in the detail provided in summaries and special analyses. The 1949 budget represents a further forward step, although improvement is, of course, still possible. The 1949 budget shows a number of gains.

First, the functional classification of expenditures has been carried one step further by abolishing the distinction between general and special accounts and government corporation accounts in the budget's major summary. The 1948 budget established the functional classification as the basic presentation of the government's expenditures—a classification which emphasizes the ultimate purposes which government programs are designed to serve.³² Last year the functional classification was something of a hybrid, preserving the fund distinctions throughout. This year the functional approach continued in spite of some congressional pressure for a return to the department and agency

Present," 8 *Public Administration Review* 49-59 (Winter, 1948).

²⁵ *Ibid.*, p. 57.

²⁶ *Op. cit.*, See also, John D. Millett, *op. cit.*, pp. 124-28.

²⁷ Jesse V. Burkhead, "Budget Classification and Fiscal Planning," 7 *Public Administration Review* 228-35 (Autumn, 1947).

²⁵ *Second Annual Report*, p. 3.

²⁶ See John D. Millett's justification of what he regards as the weak economic report of 1947 in *The Process and Organization of Government Planning* (Columbia University Press, 1947) p. 107.

²⁷ This was what happened when the President's inflation control program of November, 1947 was presented to the Congress. Members of the official family disagreed on the several recommendations presented. Such disagreement might have been nullified or prevented by strong testimony from the council. It would appear that the present isolationism of the council is largely a product of the chairman's conception of the council's role. There is certainly no statutory limitation on the possibilities of Council-Congress cooperation.

²⁸ See Henley Davenport, "U. S. Economic Advisers Put on Year's Probation," *Barrons*, Feb. 23, 1948, p. 7.

²⁹ R. G. Tugwell, "The Utility of the Future in the

classification.³³ The only important accounts now remaining outside the basic budget classification are the trust funds. Perhaps it is now time for the Treasury to convert its reporting in the *Daily Treasury Statement* and the *Treasury Bulletin* to the functional basis so that there can be uniformity in basic federal financial accounts.

Second, the 1949 budget has an improved treatment of the estimated cost of new legislation recommended by the President. The new legislation is presented separately in the budget message, but is made part of the functional classification without being separated from established programs. This is a good solution to the mild dilemma which the President faces in the presentation of the estimated cost of recommended legislation. The dilemma is that if the new program is presented separately it may be singled out for special attack by the Congress, but if it is incorporated in the basic budget expenditure classification the result is a bad mixture of programs already adopted and programs that may or may not be adopted.

Third, the budgets of the government corporations show a marked improvement over previous years. The passage of the Government Corporation Control Act in 1945 (Public 248, 79th Cong.) brought the corporations under the jurisdiction of the Bureau of the Budget. Since 1946 these corporations have submitted business-type budgets containing far more information on their operations than was hitherto available. The 1949 budget includes an additional showing of the limitations on the administrative expenses of government corporations and enterprises—in other words, a separation of the “general government” aspects of such agencies from their program operations.

Fourth, an important addition to the 1949 budget section on “Special Analyses and Tables” is a separate compilation of grants-in-aid to state and local governments. For the first time the Bureau of the Budget itemizes in one summary such diverse grants as unemployment compensation, the school lunch program, and federal highway expenditures.

Finally, the special analysis of federal activities in public works is far superior to any treatment in recent years. Such a summary is necessary when expenditures are classified on a functional basis. The works outlays must be broken out from the department and agency programs and summarized according to new projects or continuing projects and the proposed date of expenditure. The nature and size of the public works reserve, which has not been disclosed in recent years, is brought to light. It turns out to be \$9.5 billion in authorized civil works projects available for undertaking after fiscal 1949, \$8.9 billion planned but not authorized, and \$2.3 billion which the states have ready. This is an impressive reserve. If the projects are in the state of readiness indicated, they should be capable of forestalling (or alleviating) a possible major depression in the early fifties.³⁴

These are the major improvements in the 1949 budget. In the opinion of the writer there are some areas which are seriously deficient.

First, there is great need for an economic character classification of federal receipts and expenditures that may be used in analyzing the impact of the federal program on economic activity.³⁵ Economists inside and outside the government need to improve their short-run forecasting procedures. It would be of great help to the forecasters if the federal government were to publish, both currently and retrospectively, a more meaningful statement of federal economic activity. Dr. Morris A. Copeland has recently proposed a new form of federal financial statement which could be provided on a monthly basis by the Treasury and summarized in the budget.³⁶ The Bureau

³⁴ The public works summary contains an interesting passage reflecting a rather narrow concept of the possible function of public works in sustaining domestic prosperity: “The nature of public works is such that some flexibility in timing of construction is possible. In some cases this permits their scheduling to take advantage of favorable conditions in the construction industry, or to provide some stimulation to particular labor and materials markets. However, the long-range objective of any public works program must be primarily to provide, in an orderly and economic manner, the capital facilities required to carry out governmental functions.” (*The Budget of the United States Government*, p. 1279).

³⁵ Burkhead, *op. cit.*, pp. 234-35.

³⁶ Morris A. Copeland. *Concerning a New Federal Fi-*

³³ See the views of Senator Styles Bridges, as reported in *The New York Times*, Jan. 11, 1948, p. 1.

of the Budget ought to take the lead in securing the introduction of statistical reporting in a form comparable to that suggested by Cope-land, even as it has taken the lead in the publication of "The Nation's Budget" and "Receipts from and payments to the public."

Second, the 1949 budget continues the tradition of secrecy regarding the national income basis of estimates of receipts and expenditures. The budget message contains this statement: "The estimates assume continuation of the present high levels of business activity and incomes, continued full employment, and stable prices close to the present level." (p. Mg) The Treasury gives us nothing more definite in its annual description of the revenue estimates. Those in charge of the estimating must necessarily use *some* projection of national income in arriving at the published figures. Why is it not possible to let the outside world in on this estimate? As a matter of fact, a more straightforward procedure should improve the Administration's relations with the Congress in this ticklish matter of revenue estimates. In the last several years the Treasury has been seriously underestimating tax receipts.³⁷ Various interested congressional committees have therefore come to rely on non-Treasury estimates, particularly the estimates of the staff of the Joint Committee on Internal Revenue Taxation. This has been just one more element in a whole pattern of strained relations between the Treasury and congressional tax and expenditure committees. There is no need for this state of affairs. The Bureau of the Budget and the Treasury, working together, could state explicitly the national income forecast on which the estimates are based and periodically revise the estimates in the light of changing forecasts. Revenue estimates will not, of course, be perfect as long as short-run economic forecasting techniques are (to put it mildly) in their present state of imperfection. But they need not be so bad as those of the

Treasury in recent years. Moreover, there is no reason why a faulty estimate should imperil the Administration's working relations with the Congress.

Third, the reserve for contingencies continues to be incorporated in the budget recommendations. This interesting item made its first appearance last year, with a recommendation of \$25 million. Apparently the Congress failed to appropriate the necessary funds, since the President now requests a supplemental appropriation of \$125 million for fiscal 1948 and \$225 million for fiscal 1949. This will bring anticipated expenditures from the reserve to \$200 million in fiscal 1949. The budget does not reveal the expected (or unexpected) occasions which will require the expenditure of these sums. Someone, somewhere in the Bureau of the Budget must persist in the notion that the federal government is like a private business corporation where management will sometimes create a special surplus account against such contingencies as an inventory revaluation or high replacement costs for plant and equipment. The analogy does not apply to the federal government. If these are funds placed at the President's discretion they should be so labeled. But if some other kind of reserve is contemplated the procedure is senseless as long as the federal government retains the power to tax and the power to incur indebtedness.

Conclusion

BUDGET-MAKING is a major tool for policy formulation in a democracy. Its usefulness as a tool must be measured by the way in which it makes government operations more effective. Federal budget procedure should be characterized by reasonably good working relations between the Administration and the Congress. The division of authority between the Executive and the Congress must not operate as a barrier to effective action. As we move toward a broader concept of the government's responsibilities toward its citizens—national economic planning—budget-making procedures will improve, and so will the quantity and quality of information provided so that decisions on policy questions may be intelligent.

nancial Statement (National Bureau of Economic Research, Technical Paper No. 5, 1947).

³⁷ It was recently pointed out that in six receipts estimates made since 1943 the Treasury's estimating error averaged 29.8 per cent. See Joseph E. McLean, "Federal Blueprint for 1949" 9 *The Tax Review* 7 (February, 1948).

Private Airplanes and Government Travel Costs

By CHARLES B. LAWRENCE, JR.

President

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THE cost of official nonmilitary travel of the United States government during the fiscal year ending June 30, 1947 was \$114,800,000; it has been estimated at about the same level for 1948. Anything affecting mileage rates or travel time of government civilian employees increases or reduces travel costs. Attention may well be directed therefore to any changes in the Standard Government Travel Regulations dealing with reimbursements, rates, or travel time. A recent change authorizing the use of privately owned airplanes on official business is the reason for this article.

Government Costs

REIMBURSEMENT for official travel by private plane is now permitted at the rate of 5 cents per mile in lieu of actual expenses. This mileage provision became available through issuance of Budget Bureau Circular No. A-7, Revised September 5, 1946, based on Public Law 600, 79th Congress, second session, approved August 2, 1946.

The airplane mileage provision has not affected government travel costs or efficiency greatly as yet because only a few government employees have their own planes and the 5-cent rate is not calculated to induce large-scale buying of new planes on today's market. The mileage provision, however, is official recognition that light airplanes have a place in government transportation.

Before describing any private plane travel experience it may be helpful to explain how mileage is determined for private planes used on government business trips. Air mileage under the travel regulations is a computed figure

and not a measured distance. It is determined by multiplying the actual elapsed time in the air by the rated speed of the particular airplane.

$$\begin{aligned} \text{Time in air} \times \text{rated airspeed} &= \text{miles} \\ \text{Miles} \times 5\text{¢} &= \text{eligible reimbursement} \end{aligned}$$

Any unusual conditions or circumstances that influence the elapsed time in the air must be explained by the traveler when he requests reimbursement. Since planes may be used in aerial inspection and observational work as well as for straight line travel between two points, a formula of this nature is necessary. Likewise, in straight line travel, the formula takes into account the effects of winds and other weather conditions that may speed or retard flight.

Last year in eight flights between Washington, D. C. and Cleveland, Ohio made on government business in an 85-hp. plane with an air speed of 110 miles per hour, trip times averaging 2 hours, 55 minutes were logged.

Mileage and reimbursement for these trips, computed according to the travel regulations formula, averaged \$16.05 per flight, the average computed distance being 321 miles.

A comparison of these figures with the cost of other kinds of travel shows that the government saved about 10 per cent when official travel occurred in a privately owned plane:

Round Trip Cost

Train fare with lower berth without tax . . .	\$36.15
Automobile at 5¢ per mile (740 miles—AAA) . .	37.00
Private plane at 5¢ per mile (642 computed air miles)	32.10

During the summer and fall of 1947 eleven

trips were logged in the same plane between Cleveland and New York. Four of these were via Albany, Schenectady, or Syracuse and were, therefore, not comparable in distance to straight line travel. Seven, however, were reasonably direct, four being nonstop and three being one-stop trips. The average time per trip of these seven trips between Cleveland and New York City was 3 hours, 57 minutes and the average distance computed according to the travel regulations was 435 miles. This takes into account one flight with a fifty-mile detour to avoid a local thunderstorm and another flight with a strong tailwind that greatly reduced elapsed time.

Comparative costs to the government of travel by train, automobile, and private plane between Cleveland and New York round trip again show about a 10 per cent saving on direct transportation expense in favor of the private plane:

Round Trip Cost

Train fare and lower berth without tax.....	\$46.35
Automobile at 5¢ a mile (1004 miles—AAA).	50.20
Private plane at 5¢ per mile (870 computed air miles).....	43.50

There are mountains between Cleveland and New York or Washington and the air route can be straighter and therefore shorter than highway or railway. Not all air routes involve crossing mountains and some practically parallel railroad or highway routes. The New York to Washington route is of this nature and air and automobile mileages differ but little. In fact, train fares on this run may be slightly lower than either plane or automobile costs computed according to government regulations. However, when mountains, lakes, or other features of the terrain result in shorter distances by air, the use of privately owned aircraft on official business can result in direct transportation savings to the government under present regulations.

There are other savings that can accrue to the government travel account when privately owned airplanes are used. Savings in actual travel time and the general flexibility of travel schedules both reduce the cumulative per diem allowance paid by the government in lieu of

subsistence. Such payments are generally \$6.00 per day in the continental United States. Any significant shortening of trips by days or even by hours can effect sizable savings.

Specific per diem savings may be illustrated in almost any trip undertaken by private plane. For example, flying time from Cleveland to cities in Michigan such as Lansing, Saginaw, Bay City, or Port Huron can be under two hours, with departure after seven o'clock breakfast and return in time for dinner. A trip to Lansing from Cleveland by train for a day's work requires taking a sleeper up one night and back the next. Government per diem payments for this trip total \$9.00 in comparison with either no per diem for travel using private plane or possibly \$3.00 depending on the actual hours of take-off and return. At least a two-thirds saving in per diem is made.

Flying time savings increase available working time. Many sections of the country do not have railroads that run on subway schedules. In fact, many places that have railroads are served by a daily train. A not infrequent observation made by local officials during the war was that government and business travelers spent half the morning arriving in town and half the afternoon in getting railroad reservations or tickets in order to leave in the evening. It is regrettable that travel problems affect the efficiency of work but they do—and many a railroad schedule has dictated the amount of time devoted to specific problems that might have benefited by more or less attention.

It is difficult to compare per diem expenditures on trips by private plane with trips by common carrier, train or bus, because the trips actually become different both in kind and in time. Take, for example, the following itinerary. An official located in Cleveland is to attend an afternoon meeting in Huntington, West Virginia and an evening meeting at the University of Ohio in Athens. He has been putting off a short but necessary trip to Zanesville, Ohio for some time; now he finds that he can make it a morning stop on the way to Huntington because it is practically on a direct flight line with Huntington and Athens. This trip by private plane actually requires one day away from the office, with a total per diem of \$6.00. By train and bus the trip could

not be made on schedule and would cost nearly three times the per diem.

In case of extended trips, bad weather may sometimes cause air travel delays and expense. For shorter trips, however, flight weather forecasts by the Weather Bureau usually are sufficiently definite to permit the execution of flights on schedule. Those who use the flight weather service given by the Weather Bureau and CAA know that it is efficient, unusually reliable, and an absolute necessity for live pilots. Even with an allowance for all weather delays the per diem expense by private plane is probably 50 per cent less than by regular ground common carriers.

Savings may also arise from the fact that while two employees may travel together in a private vehicle, government travel regulations authorize payment of mileage to only one. When common carriers are used the government pays mileage for both. Group travel by Washington departmental officials is frequent and when in the field they are often accompanied by field employees. In some agencies savings from combined travel may be greater than in others.

A conclusion as to comparative costs and savings for different types of transportation cannot be reached by using a limited sample of specific trips. A comprehensive detailed study of government travel experience would be very useful and could provide information that would help to guide future travel policy. In the absence of such a comprehensive study, the following assumptions and summary table based upon them are presented:

1. Travel costs generally are composed of approximately 40 per cent for direct transportation and 60 per cent for per diem.
2. At least 10 per cent of all travel costs are for travelers who are accompanying other travelers.
3. Direct transportation costs by private plane average 10 per cent lower than by other means of travel.
4. Per diem payments when private planes are used approximate 50 per cent of regular experience.

If these assumptions are used as a pattern for distributing travel costs, the expenditure of \$100 in travel undertaken by railroad may be compared with the costs of travel by private plane as follows:

	\$100 in Train Travel	Compa- rable Costs by Private Plane
Direct transportation costs		
For principal travelers	\$ 36.00	\$32.40
For accompanying travelers	4.00	0.00
Per diem in lieu of subsistence		
For principal travelers	54.00	27.00
For accompanying travelers	6.00	3.00
Relative travel costs	\$100.00	\$62.40

If savings of 37.6 per cent, or of even one-half or one-third of that figure, result from the use of private planes in government service, their further use should be studied. The same savings would not occur in all agencies because their travel problems vary. However, there is a travel pattern determinable for each agency and changes that would result from wider use of private planes could be ascertained.

Pilot's Costs

PRESENT law and the Standard Government Travel Regulations appear to insure savings to the government when federal employees use privately owned planes for government travel. It may well be asked "How do employee pilots make out with their expense on trips like these?" There is as yet no standard answer to this question because of (a) the different uses that may be made of planes, (b) the lack of information from pilots on specific business trips, (c) the differences in operating characteristics and expense ratios of different light airplanes, and (d) the lack of standardized methods of distributing fixed expenses as contrasted with trip costs or general operating expenses.

Trip costs represent the smallest part of the over-all expense of operating a suitable airplane. Although prices now range from 28¢ to 36¢ per gallon for 80-octane aviation gasoline in eastern airports, the fuel costs for an 85-hp. plane are only \$1.30 to \$1.80 per flying hour, or approximately 1.5 cents per mile. Of course, planes with different power ratings have different operating costs. A reasonable rule of thumb for light aircraft places gasoline consumption at approximately 6 gallons per hour per 100 hp. Application of this rule to light airplanes of different horsepower shows a

65-hp. plane consuming approximately 4 gallons of gasoline per hour, an 85-hp. plane approximately 5 gallons per hour, and a 600-hp. plane approximately 36 gallons per hour. The cruising speeds of these planes may vary from 80 to 180 miles per hour, depending on equipment and conditions. It is obvious that the lower horsepower planes are more economical of operation on a mileage basis for one person. They may have fuel costs as low as 1.3 cents per mile compared to 6 or 8 cents per mile for the somewhat faster but highly uneconomical war surplus trainers of higher horsepower.

The costs of maintenance, repairs, replacements, regular engine checks, 100-hour aircraft checks, and annual inspections for relicensing are not standardized. However, the equivalent of the fuel costs can be taken as a very rough guide for lower horsepower planes that are given reasonable attention by their operators. Operating expenses, including both fuel costs and regular maintenance, therefore, may run upward of \$3.00 per hour or approximately 3 cents per mile for small planes kept in good condition.

Fixed expenses include all annual or monthly charges or costs that do not relate to the direct operation of the plane. Their distribution on a mileage basis depends on the number of miles flown. The per hour or per mile expense of insurance, for example, varies not only with the kinds and amount of insurance carried but also with the number of hours flown per year. If premiums are paid for full insurance on the ground and in the air, with public liability and property damage coverage plus protection for extra travelers who ride free, the total cost of insurance may be over \$600.00 per year. This is a fixed expense regardless of the number of hours of travel. If flying hours reach 200 per year, the insurance cost per flying hour may be \$3.00 or approximately 3 cents per mile, which is roughly equal to operating expenses. Of course, not all pilots carry full insurance. In fact many do not carry expensive crash insurance but confine their hull protection to time on the ground.

Other fixed expenses such as depreciation or scheduled amortization and hangar rentals or outside tie-down fees can also be computed on an hourly or mileage basis, though accepted

standards for amortization or depreciation have not yet been established. As in the early days of automobile travel one of the major expenses, never fully anticipated, is the cost of extra equipment—the things that are always so appealing that they must be purchased to help cut operating costs, increase safety, add to the utility of the plane, or satisfy a very human yearning for gadgets. Such items include two-way radios, sensitive altimeters, turn and bank indicators, directional gyros, mufflers, special propellers, stall indicators, wheel pants, and navigational aids.

To attempt a summary of these costs may appear to give them a greater specificity than the present state of assembled information warrants, yet a summary is necessary in trying to answer the question of how employee pilots make out with their expenses. The following table presents a rough range of costs based on use of an 85-hp. plane 200 hours per year. If the plane were used 400 hours per year some of the costs would be cut in half. Many costs will vary with location. Hangar rentals range from \$15.00 to \$50.00 per month depending on where the plane is located. La Guardia Field in New York City charges a landing fee, largely to keep small planes away; other fields make no such charge and many provide transient light planes with free overnight tie down. The usual charge is \$1.00.

*Range of Operating and Fixed Expenses for an
85-hp. Plane Flying Approximately
200 Hours Per Year*

<i>Type of expense</i>	<i>Range of costs per mile</i>	
Fuel	1.3¢	to 1.8¢
Service and repairs5¢	" 2.0¢
Tie down and hangar5¢	" 3.0¢
Insurance	1.0¢	" 4.0¢
Depreciation or amortization	2.0¢	" 4.0¢
Total expense (not including extra equipment, navigational aids, etc.)	5.3¢	" 14.8¢

It appears that the employee under the most favorable circumstances can come close to breaking even on the government allowance of 5 cents per mile, particularly if he is willing to charge off his capital costs to pleasure or to ac-

cept some costs himself because of the convenience of being at home with his family instead of spending his nights on sleepers. Under less favorable circumstances, costs to the traveler can be high.

In view of the apparent savings that the government is realizing on official travel undertaken by privately owned planes and in view of the fact that traveler costs are by no means completely met by the 5-cent mileage allowance, it would seem desirable to have some study made of expenses and of more appropriate allow-

ances. Allowances at present are not equal to the rates given automobile travel.

There are many other phases of this problem that could and should receive attention. This article serves only to indicate that studies are needed, that the use of private planes in the government service may help to cut costs and increase travel efficiency, that prospective pilots may find it economically feasible to use a plane for business travel, and that public travel officers and administrators should not discourage the use of private planes in public business.

"SAUCE FOR THE GANDER"

Members of the House of Commons have now become familiar with the formula used by Ministers in replying to those questions which the Table does admit about the work of Public Corporations: "This is a matter of day-to-day administration which is the responsibility of the Board (Corporation, Commission, Authority)." Whatever may happen in the future, Ministers have made it clear that at present they refuse to accept responsibility for the current administration of nationalised undertakings, and proving there are other adequate means of public control there can be little doubt that the attitude of Ministers on this issue is right.

In striking contrast has been the growth in the detailed central control of Local Authorities. Members of Parliament, members of the public, and even the Ministers responsible, would be astonished if they could see from a sample of actual cases in what minute detail this control is now exercised, and what a large amount of correspondence an administrative effort is involved. We could fill the pages of *PUBLIC ADMINISTRATION* with examples taken at random from the files of the Ministries of Education or Health, for example, or of the Local Authorities. . . . Local Authorities which are directly elected by the voters in their areas and possess technical staffs whose competence will stand comparison with those of any Department or other public authority, are not so trusted with financial powers, nor is their day-to-day administration their own responsibility. The question of the detailed control of Local Authorities needs careful consideration from the viewpoint of the efficiency of both central and local government. Can the central Departments really be effective in their main job of planning ahead and dealing with the large issues if their staffs are cluttered up with handling thousands of detailed day-to-day cases? And can Local Authorities and their staffs be expected to continue for long to feel a proper sense of responsibility if they are being watched over like a lot of naughty school children? Surely policies prudently adopted towards the non-elected boards of the Public Corporations can be applied to the elected councils of Local Authorities, whose first-class staffs deserve to be allowed to get on with the job without the pin-pricking control of a past era.—26 *Public Administration* 65 (Summer, 1948).

Reforestation in the Tennessee Valley

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RELATIVE rights and responsibilities of private owners and of state and federal governments in perpetuating and using natural resources continue to be a major public issue. In its ramifications, the issue is social, economic, and political; it affects state and federal internal policy; and, to a considerable extent, it influences international attitudes. The problem involves public and private interests. Federal, state, and local units of government are concerned. So, too, are millions of private citizens and corporations who own or utilize natural resources. In one way or another the issue touches everyone; it therefore engenders both rational analysis and rampant emotionalism. Intermingled and interwoven with the central issue are such related questions as federalism versus states' rights, regulation versus free enterprise, government versus private ownership, and public education versus government subsidy. Although less well publicized, there are perhaps as many intrastate questions as there are state-federal. Harmonizing public and private actions so as effectively to protect and serve both types of interests is a continuing challenge to public administrators.

Resolution of the issues between federal and state agencies, between state agencies, and between government and private owners is a lively and complex task. Reforestation¹ is an activity which illustrates some of these relationships. It is especially apt as an example because it involves three basic resources—soil, water, and forests. The reforestation pattern which is evolving in the Tennessee Valley may indicate workable methods for dealing with this activity

¹ Reforestation is used literally herein to mean tree planting rather than loosely to include all phases of forestry.

elsewhere, and perhaps with other phases of natural resource development as well.

Public interest in reforestation through governmental action far antedates the Civilian Conservation Corps which dramatized the idea by planting more than two billion trees.² Possibly the first recorded instance of public action occurred in the thirteenth century when citizens of Nuremberg and Frankfort, Germany, attempted community tree planting on a trial basis.³ In 1580, during Elizabeth's reign, concern was expressed over the rapid disappearance of the great oak forests of England, and thirteen acres "of Granbourne Walk in Windsor Park" were sown with acorns. In 1668, Parliament, by then alarmed over dwindling timber supplies for the Navy, provided for the planting of 11,000 acres.⁴ Prior to 1900, Switzerland had reforested over 16,000 acres; Russia, despite her vast areas of virgin forests, was planting trees extensively before World War I; and in Germany, Prussia alone was planting an average of 50,000 acres a year.⁵ France during the past 150 years has established almost 2,000,000 acres of valuable maritime pine forests on the sand dunes of Gascony and in the malaria swamps of the Landes. She has also achieved "forestry engineering control of more than a thousand torrential streams in the Vosges, Jura, Alps, and Pyrenees."⁶ French laws of 1860 and 1864 provided for this type of work, and by 1902 the state had spent nearly \$20,000,000, not

² *Annual Report of the Director of the Civilian Conservation Corps . . . 1941*, (U. S. Government Printing Office, 1941).

³ Moon & Brown, *Elements of Forestry* (John Wiley & Sons, 1924), pp. 99, 102.

⁴ R. G. Albion, *Forests and Sea Power* (Harvard University Press, 1926), pp. 123, 132.

⁵ S. W. Allen, *An Introduction to American Forestry* (McGraw-Hill, 1938), p. 87.

including subventions to communities and private owners.⁶ Prior to World War II, the federal and provincial governments of Australia, Canada, India, Japan, and South Africa, along with most European nations and the United States, were planting forest trees directly or through subsidy to private owners.

In the United States

REFORESTATION by private individuals in the United States began in early colonial days. Five plantations in New England between 1750 and 1860 are recorded; one at Lynn, Massachusetts, was 200 acres in extent.⁷ "Shipmast," a straight-stem variety of black locust, was carried from Long Island by the pioneer settlers into upstate New York and westward to Ohio and Indiana. Stimulated by the Timber Culture Act of 1873, numerous individuals planted trees to acquire title to public lands in the prairie states. Many of the prairie states, through bounties, tax exemptions, and Arbor Day proclamations, encouraged forest tree planting for windbreaks and fence post production. About 1890, George Vanderbilt planted approximately 3,000 acres on the Biltmore estate near Asheville, North Carolina.

Presumably, wild seedlings dug in the woods and seedlings produced as a sideline by fruit tree nurseries were used as planting stock. Many of the early plantations were failures because of poor choice of species and poor quality of seedlings. Some of the states, notably New York, Pennsylvania, and Massachusetts, established state nurseries to provide high quality stock of adapted species. The federal government, through the U. S. Forest Service, also established forest tree nurseries to provide trees for use on the national forests.

Concurrently with the development of the general conservation movement, more and more attention was focused on the need for expediting reforestation throughout the United States. This interest was reflected in the Clarke-McNary Act of 1924. This law, dealing primarily with forest fire control, also provided a basis for federal-state cooperation in the pro-

duction of forest planting stock for farmers. It established the policy of selling trees to farmers at a price not to exceed the cost of production. The price has usually ranged from \$1.50 to \$3.00 and has averaged about \$2.00 per thousand seedlings. By 1926 twenty-two states were participating. In 1929 the number had increased to thirty-eight. In 1942, just before the decline in planting occasioned by the war, the federal appropriation had increased to \$123,000 and forty-four cooperating states were appropriating \$494,000. In that same year, 74,000,000 seedlings were planted on farm lands by farmers and the CCC.

But millions of acres in urgent need of reforestation were not owned by farmers. Water and timber companies and many nonfarmer citizens were also interested in reforestation, but they were not included in the federal subsidy plan. This posed for the states the problem of group discrimination. Even today it is only partially being met by state appropriation of more funds than are necessary to match the Clarke-McNary subsidy to farmers.

This "farmer" restriction in the Clarke-McNary Act has tended to retard planting on many sizable, nonfarm areas. It has been difficult for the state foresters to explain, and it has been cumbersome and sometimes embarrassing to administer. Despite repeated urging by pulp and lumber companies, reiterated recommendations of the state foresters and the U. S. Forest Service, and an apparent lack of opposition, the Congress has not yet seen fit to amend the act.

In 1931, 153,460 acres were planted in the United States. Through 1931, total planting by all agencies on all types of land—national forests, state forests, municipal watersheds, and private lands—amounted to 1,892,105 acres. By 1941 the impetus of the CCC had boosted the total to 5,452,836 acres. That year 470,284 acres were planted—one-third on public lands.⁸

Unfortunately, this 5.5 million acres is only a small chunk of the total estimated reforestation job of 138,000,000 acres (52 million abandoned and eroding farm lands and 86 million understocked woodlands).⁹ At the 1941 rate it

⁶ B. E. Fernow, *Economics of Forestry* (Crowell & Co., 1902), p. 277.

⁷ J. W. Toumey and C. F. Korstian, *Seeding and Planting in the Practice of Forestry* (John Wiley & Sons, 1931).

⁸ American Tree Association, *Forestry Directory* (Reese Press, 1943).

⁹ *A National Plan for American Forestry*, II (Sen. Doc. No. 12, 73d Cong., 1933). The Copeland Report.

is a 300-year job. At the average 1925-1941 rate, 439 years would be required. Obviously, the nation needs a more expeditious system.

The Tennessee Valley

THOSE responsible for the creation of the Tennessee Valley Authority knew that the forest had been and still was one of the great potential resources of the valley. They realized the essentiality of watershed protection. They believed that an effective forestry program could restore to economic production and watershed protection millions of acres of exploited, fire-damaged woodlands and eroding or abandoned farm lands. The TVA Act provides for such a program; the preamble emphasizes it.

In the summer of 1933, a small staff of foresters was employed. They set out to analyze the valley's forestry needs and to determine what kind of forestry program could be effective. Almost overnight, however, they were given the task of providing useful work for twenty-five CCC camps which had to be moved from the high mountains of the West before winter.

The most obvious immediate job for such a labor force was watershed protection through soil erosion control. Erosion was active in most sections of the valley. One continuous area of 23,000 acres was practically denuded. The watershed of Norris reservoir (the dam was already under construction) was pock marked with gullies. Camp sites were located; the U. S. Forest Service agreed to provide administration; TVA agreed to furnish technical direction and work out erosion control agreements with the private landowners. The preparatory or engineering aspects of gully control preliminary to reforestation got under way. But where could the trees be found to provide the protective watershed cover? Adequate nursery facilities were nonexistent in or near the region. So, after careful consideration, two forest nurseries were developed by TVA on its lands. In a short time, thirteen more CCC camps were transferred to the valley, and these too were set to work.

The valley state foresters, in the face of an overwhelming fire problem and with grossly understaffed organizations, had made commendable efforts to stimulate reforestation un-

der the Clarke-McNary pattern. State Forester R. S. Maddox had done some splendid pioneering, especially in western Tennessee. Small forest tree plantations were scattered throughout the valley, but tree planting as such was unknown to most valley residents. Landowner stimulus was lacking.

Another matter of concern to TVA policy makers was the pattern of relationships that had developed under the Clarke-McNary Act. The U. S. Forest Service was involved, as was each of the valley state foresters. Should TVA produce trees for sale to landowners? Should sales be restricted to farmers? Could any real progress be made in getting an effective reforestation program rolling on private lands? Could erosion be controlled within reasonable time limits if traditional tree distribution methods were followed?

Studied consideration of the problem produced only negative answers. A new approach seemed essential. And so the following policy was adopted:

TVA would produce trees. Their use would be restricted to actively eroding private lands and to reservoir margins acquired by TVA. They would be made available without cash charge, and the CCC would plant them wherever satisfactory arrangements could be made with the landowner and where they would be most useful as demonstrations. Landowners must voluntarily ask for help in controlling erosion, and they must agree in writing to protect the trees from fire and grazing damage for five years. They must also furnish without cost such local materials as brush, posts, and mulch.

Active assistance of the Agricultural Extension Services was solicited. County agents almost without exception agreed that the policy was sound. They gave invaluable assistance in explaining and promoting the program. Interest grew. Requests and demands for camps came from all over the valley. Landowner attitude, at first suspicious and apathetic, changed to active participation. The number of applications increased to the point where it was possible to become more selective by the simple expedient of requiring more and more landowner participation. The work was thereby spread over more properties and extended to situations where successful control was more

assured. Under this pattern, between 1934 and 1936, 18,000,000 trees were planted on 11,560 acres on 1,700 private properties.

Evolution of a Revised Policy

DESPITE the number of CCC camps available and the rate at which trees were being planted, it became increasingly obvious that something more was needed. Public interest in erosion control and reforestation was growing faster than the CCC capacity to respond. The reasons were obvious. A 200-man CCC camp—in effect a small village—once established tended to become fixed. A one-hour travel restriction coupled with the difficulty of negotiating rural roads during winter months limited work areas to a radius of from 10 to 20 miles. In addition, signs of a reviving national economy indicated that the CCC would not be continued indefinitely.

In the face of this situation, one unusually interested and persistent delegation was asked whether the local landowners would prepare sites and plant the trees if technical guidance and planting stock were provided. When they found that CCC labor simply was not available, they agreed. So, in collaboration with the Agricultural Extension Service, technical guidance and planting stock were furnished. Thus was taken another big step in the direction of more landowner participation in resource restoration. The new arrangement caught on and produced results. By 1938 it spread to fifty-three counties in six valley states. In 1941, while the CCC planted 19,000,000 trees, landowners with their own labor planted almost 5,000,000. It became increasingly obvious that the valley's 200,000 landowners and their tenants and hired hands represented a tremendous labor force and that their active participation could be enlisted when the public agencies provided necessary promotion and conveniently available planting stock.

In the meantime, TVA's technical and administrative force had the action program well enough in hand to proceed with a measure of the total job. Although numerous erosion and land-use surveys had been made all over the United States, no one had measured the control job in quantitative terms for an area as large

as the 26,000,000-acre Tennessee River watershed.

How big was the reforestation job in the Tennessee Valley? A survey in 1940 revealed approximately 300,000 acres of seriously eroding land—land in urgent need of reforestation.¹⁰ There was an additional 300,000 acres of idle or abandoned broomsedge and brush lands for the most part unsuited to agricultural use. And on top of that there were at least 400,000 acres of burned, grazed, depleted woodlands where sparse stocking should be supplemented by reforestation—a total of one million acres requiring at least a billion trees.

How much of the job had been done? Approximately 150,000,000 seedlings had been planted on some 15,000 private ownerships and on TVA lands around the new reservoirs. Dozens of CCC camps in eight years had planted 90,000 acres; the remaining job was many times greater than that portion completed. Even at the maximum planting rate of 25,000,000 trees a year, achieved in 1940, thirty-seven more years would elapse before the job could be completed. Then came the war and disbandment of CCC camps.

The War Period

ALTHOUGH maximum effort during the war period was directed toward increasing timber production, the lull in reforestation activities provided an opportunity to take stock of the program and develop plans for the future. Out of this objective examination came these conclusions and questions:

1. With proper selection of species, trees would grow on almost any site in the Tennessee Valley; several thousand thrifty plantations offered irrefutable visual evidence.
2. With simple gully treatment, ground preparation, and reforestation, almost any erosion situation could be controlled.
3. Adapted species had been found, tested, and could be grown in the large well equipped TVA nurseries at a reasonable cost; workable distribution procedures had been developed.
4. Landowner interest in erosion control and reforestation responded in something like a geo-

¹⁰ Kenneth J. Seigworth, *Journal of Forestry*, Vol. 37, No. 8; Vol. 39, No. 8; Vol. 41, No. 6.

- metric ratio to promotional efforts of the public agencies.
5. Plantations of trees established by a landowner's own labor were potent influences for better fire control and improved management of natural woodlands.
 6. The size of the job had been measured. Progress was still too slow.
 7. The Agricultural Extension Services and TVA were thoroughly identified with the valley reforestation activity, but the state Divisions of Forestry were not. TVA trees were being distributed without cash charge in the valley counties; a few were also being distributed by the states on a nominal cash-charge basis. How could this difference be reconciled?
 8. So far, only a fraction of the actively eroding lands had been worked. What about the 700,000 acres of abandoned farm land and understocked woodlands where reforestation was clearly in the public interest for regional watershed protection and forest resource development?
 9. Could the one-million-acre reforestation job in the valley be done in the foreseeable future? If so, how?

The Valley Reforestation Project Concept

OFFICIALS of the TVA decided that the total job should be done. They believed that it could be done if the enthusiasm and resources of all the interested public and quasi-public agencies were devoted to realization of a common objective under a common policy. The interested agencies included the seven State Departments of Conservation, the seven Agricultural Extension Services, the U. S. Forest Service, other public agencies, and several timber trade associations. TVA believed further that a workable arrangement could be developed within another well established concept—one that recognized the state forester as the leader and coordinator of the state-wide forestry program, but at the same time recognized the Agricultural Extension Service as the logical agency to work directly with farmers in the educational and demonstration phases of farm forestry. Experience had demonstrated that this was as delicate a matter as the question of "free" versus nominal cash-charge seedlings. Here is the project concept which emerged:¹¹

¹¹ Willis M. Baker, "Tree Planting—the Tennessee Valley Way," 53 *American Forests* 100, 143-44 (March, 1947).

1. TVA would produce trees for bona fide reforestation by any landowner in the Tennessee Valley watershed without cash charge.
2. The state forester as the legislatively authorized leader of the state forestry program would be leader and coordinator of the project within his state. All applications from landowners for seedlings would be routed through and approved by one of his representatives. The Extension Service, through whomever the extension director designated, would accept and approve farmer applications. These applications would then be routed to the state forester's representative for nominal approval by him and for coordination and shipping arrangements with TVA. In either case, the agency handling the application initially would make necessary contacts with the applicant to give him appropriate technical guidance.
3. The landowner must apply in writing for seedlings and must agree to plant them promptly and protect them from fire and grazing damage so as to insure successful plantations.
4. The formal TVA-state project document should be between TVA and the Department of Conservation (state forester) under the provisions of the broad forestry contract (memorandum of understanding) between these two agencies. It would also recognize the agricultural memorandum of understanding between TVA and each of the valley state land-grant colleges, of which the Extension Services are a part; and it would recognize the primary educational role of the Extension Service with farmers.

For twelve years TVA had channeled its reforestation activity almost exclusively through the seven State Agricultural Extension Services because until then only actively eroding lands had been tackled, and these were mostly owned by farmers. Some of the state foresters felt, and understandably so, that they and the Clarke-McNary pattern they operated under had been short-circuited. (This apparent policy conflict had been discussed with officials of the U. S. Forest Service. They understood TVA's special regional obligations and recognized its reforestation activity as a supplement to the Clarke-McNary system.) How would the state foresters react to the suggestion for participation now? Also, how would the Extension Services, after having done a splendid promotional job with farmers, react to a proposal which seemed to involve the State Forestry Divisions more directly in farmer reforestation? Moreover, a sizable group of state foresters outside the valley

had several times voiced opposition to the distribution of seedlings without charge. Would the valley state foresters feel free to go along with the valley project idea even if they were persuaded as to its logic and fundamental soundness from the public viewpoint? Would serious problems be posed for the state foresters having free trees available in one part of the state and not in another?¹² Should the formal project be tripartite or bipartite?

Current Status of the Project

VIRGINIA was chosen as the first state in which to explore the new reforestation project. Although presenting probably the least acute reforestation problem per unit area, the reasons for initiating discussions there were very practical ones. Virginia's strong statewide forestry program enjoyed general public support. The two state agencies chiefly concerned were working together effectively. Other cooperative forestry projects between each of the state agencies and TVA were running smoothly. There was active public interest in general land use and soil conservation in the valley counties. If the joint reforestation idea wouldn't work

¹² Actually, the question is not one of no charge versus cost of production; rather it is one of degree of subsidy. It costs from \$5 to \$8 per thousand to produce one-year-old forest tree seedlings. Sale of these seedlings at \$1.50 to \$3.00 obviously does not cover cost of production; the trees are still free to a degree.

The chief argument in opposition to free trees is this: Free trees are not appreciated and are consequently wasted in the planting process. Though this argument may be borne out by experience elsewhere, results in the Valley point to the opposite conclusion. Periodic appraisals reveal less than 1 per cent of TVA-produced trees wasted; survival of planted trees averages 85 per cent.

This success in the Valley is largely due to the fact that there is one or more *personal* contacts between distributing agent and the person who is going to plant the trees. A large majority of applications for trees are made out in the presence of an Extension Service or State Forestry Division representative in the course of routine field and office contacts. All trees destined for the same county are delivered to the county seat by truck. Applicants show up at the appointed time and place to claim their trees. The county agent or local forester usually stages a planting demonstration and answers questions. The public investment in the trees is emphasized. Usually the applicant takes the trees home and starts planting immediately. In many cases the elapsed time between lifting trees in the nursery and planting them in the field is no more than twenty-four to thirty-six hours.

in Virginia, it probably wouldn't work in any of the other six states.

The state forester was receptive and interested. At a conference of State Forest Service, Agricultural Extension Service, and TVA representatives, all of the questions, issues, opportunities, and procedural problems were discussed frankly. A mutually satisfactory solution was reached on each, including the perplexing one of whether the "valley" began and ended along drainage or county lines.¹³

The project concept as pioneered in Virginia has now been extended to the valley portions of Kentucky, Tennessee, Alabama, Mississippi, and North Carolina. This embraces 96 percent of the watershed area.

Although the discussion-negotiation process was complex, delicate, and lengthy, experience proves that the project operates smoothly and effectively once it begins functioning in a state. In 1946-47, the first postwar year, all the available 5.5 million trees were planted. In one Kentucky county alone, over 540,000 were planted. Currently—during 1947-48—10 million trees are being distributed. The goal for 1948-49 is 17 million; for 1949-50 the goal is 23 million. Landowners small and large are planting the trees. The state agencies are handling their respective portions of the project. As production and distribution increase, unit costs decrease. An annual planting rate of 35 million seems probable; if so, the one million-acre objective can be realized within this generation. The goal is worthy. Results to date are inspiring.

¹³ Of the 125 counties wholly or partially included in the Tennessee River watershed, 69 are peripheral. In only one instance are the peripheral county boundary and the watershed boundary precisely the same. Many resource development activities in which TVA is concerned are organized by the states around county administrative units. But so far as reforestation was concerned, TVA had insisted that the job inside the valley was already too big to permit inclusion of additional areas. Therefore the watershed boundary was recognized as the line beyond which TVA seedlings were not available. County workers had protested through the years because their landowner clientele had difficulty in appreciating the significance of the watershed line. In a few instances, county agents in border counties had sponsored reforestation reluctantly because they tired of making the watershed explanation. However, the question was agreeably settled not only in Virginia, but also in five of the other valley states—usually along the watershed line.

The \$10,000 Salary Fetish

By EDWARD L. THORNDIKE

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IN THE departments of the federal government—State, Commerce, Labor, Treasury, etc.—there are ten times as many salaries of \$10,000 as of all amounts over \$10,000. In the Executives Office of the President, the General Accounting Office, the Government Printing Office, the Library of Congress, and the independent agencies such as the Atomic Energy Commission, the Civil Service Commission, and the Tennessee Valley Authority (but excluding the Tax Court of the United States) there are nine times as many.

Most of the salaries above \$10,000 in these departments, commissions, etc. are in connection with very recent enterprises. For example, the Atomic Energy Commission and the United Nations together account for one-fourth of them. Until very recently it was an unwritten law of the federal government that nobody save the President, the Vice President, Cabinet members, and judiciary should be paid more than \$10,000. As late as 1941 senators and representatives received only that amount, and the persons in the various departments and commissions receiving more could be counted almost on one hand.

Maintenance of the \$10,000 limit has kept

the percentage increases for salaries over \$6,500 much below the percentages for salaries of \$6,500 or less. The salary changes from 1936 to 1947 for a random selection of 706 posts in the executive branch are as follows:

Salary in 1936	Median Percentage Increase, 1947
Under \$3,000	72
\$3,000-\$6,500	53
7,000- 7,999	33
8,000- 8,999	21
9,000- 9,999	10
10,000	0

The resulting distribution of salaries in the executive branch is a monstrosity unlike that found hitherto in any great enterprise, whether profit or nonprofit. The facts for posts in the Departments of the Treasury, the Interior, Commerce, and Labor carrying salaries of \$3,500 or over in 1936 and 1947 are set forth in Table 1.¹

¹ The sources of the data used here and elsewhere in the article are the various issues of the *Official Register of the United States*. These may not include all of the salaries of \$3,500 or over, but the inclusion of those

TABLE 1. PERCENTAGE DISTRIBUTION OF SALARIES OF \$3,500 OR OVER IN THE DEPARTMENTS OF THE TREASURY, THE INTERIOR, COMMERCE, AND LABOR, 1936 AND 1947

Year	Salary in Dollars									
	3500-4499	4500-5499	5500-6499	6500-7499	7500-8499	8500-9499	9500-10499	10500-11499	11500-12499	12500-13499
1947	8.4	11.7	16.0	18.0	26.3	7.4	12.0		0.04	0.16
1936	22.8	25.3	31.5	12.0	3.8	3.0	1.0		0.07	0.36

The 1936 distribution was defective in its failure to provide properly for especially able persons. The 1947 distribution adds insult to injury by keeping \$10,000 as a virtual limit but giving it (or its quaint substitute \$9,975) to over ten times as large a percentage of employees.

omitted would not alter any general statements made in this article.

Nothing comparable to the \$10,000 fetish operated on British prewar government salaries. In prewar times twelve major branches of the British government (Treasury, Foreign Affairs, Colonial Office, Home Office, the Ministries of Agriculture and Fisheries, Education, Health, Labor, and Transport, the Board of Trade, the Board of Inland Revenue, and the Department of Scientific and Industrial Research) employed about 3,000 persons at salaries of £700 or over. Almost exactly half of these received from £700 to £899; about a quarter received from £900 to £1099; about one-eighth received from £1100 to £1299; about one-sixteenth received from £1300 to £1499; about one-thirty second received from £1500 to £1699. The rest were scattered irregularly up to £5000, the salary for a minister, with only one between £3000 and £5000. The exact percentages for successive intervals of £200 were as follows:

Salary in Pounds	Frequency in Per Cents
700 to 899	49.8
900 to 1099	25.9
1100 to 1299	11.7
1300 to 1499	06.8
1500 to 1699	03.14
1700 to 1899	0.28
1900 to 2099	0.59
2100 to 2299	0.56
2300 to 2499	0.03
2500 to 2699	0.28
2700 to 2899	0.00
2900 to 3099	0.59
3500 to 3699	0.03
4900 to 5099	0.35

These percentages are computed from data in *The British Imperial Calendar and Civil Service List* for 1939. When the listed compensation is the minimum and maximum that the person named may receive the average of the two has been used. When two or more persons are listed with the minimum and maximum that any one of them may receive the salaries are spread evenly over the listed range. The distribution of salaries of £700 or over so obtained will not differ greatly from the distribution that would be obtained if the exact salary received in 1939 by each person had been known and used. If, as is likely, there are disproportionate numbers in the earlier years of service, the slope from £700 to £5000 for exact salary data would be even sharper than that shown here.

It seems likely that \$15,000, which is now the salary of Senators and Representatives, will soon replace \$10,000 as the salary that is considered fit and proper for a very important post, and that the distribution of salaries of \$3,500 or more will become like the prewar distribution shifted upward by a general rise of about 50 per cent in dollars but not in purchasing power. The distribution of salaries of federal employees in 1950-60 thus bids fair to have at least the chief defect of that in 1930-40—that the persons of great ability could get better jobs in the universities and jobs paying from three to ten times as much in business or industry.

In the case of one group of high ability it is possible to compare the prewar government salaries with those of private enterprises conducted for profit and of universities and other nonprofit corporations. This group consists of the 1,373 men of science starred for eminent ability in the 1933 edition of Cattell's *American Men of Science*. They were, with few or no exceptions, among the 2,000 ablest men of science in the United States and Canada.

The salaries of the starred men who reported themselves as employed by the Bureau of Standards, Geological Survey, Department of Agriculture, Bureau of Mines, or other branch of the federal government have been listed if their names occur in the *Official Register* for 1936. Their salaries ranged from \$4,200 to \$8,500, with a median at \$5,500; five-sixths of them were between \$5,000 and \$6,500. If a physicist, chemist, or geologist of the excellence denoted by a star in the Cattell list was able and willing to work in a private business for the welfare of that business, he could command a salary far above \$6,500.² This was probably true also of men in the biological sciences. If a starred scientist was able and willing to teach, or guide students in research, or both, he could obtain a salary of \$5,000 or over in a college or university, with a long vacation and opportunity to increase his income by writing, lecturing, and work as a consultant. The general run of the salaries of starred scientists who were in universities or colleges in 1933 was, if the sample for whom the author has knowledge is representative, not greatly different from that

² See "The Salaries of Men of Science Employed in Industry," 88 *Science* 327 (October, 1938).

of the starred scientists in the government service, except at the top. A considerable number of professors, deans, and college presidents received 20 per cent more than any scientific employee of the government. In general, Harvard, Yale, Columbia, and other institutions with equally good salary schedules could take any scientific man away from the federal government, except in cases of devotion to the government service and reluctance to change surroundings and habits. So could such private institutions as the Carnegie Institution or the Rockefeller Institute.³

The federal government in 1933 had in its service 6.5 per cent of the starred men of science, about the same number as Harvard University. If the federal service had been augmented by a score of scientists of very great ability (incidentally raising the 6.5 per cent to 8 per cent), at salaries from \$9,000 to \$15,000, the added cost would probably have been a sound expenditure of public money.

Parsimony in state universities and lack of funds in private universities on the one hand, and, on the other, a schedule of salaries for posts in the federal government which in-

³ It seems likely that similar facts would be found for engineers, economists, sociologists, experts in foreign relations, and "career men" generally.

creases prewar salaries by 50 per cent may enable the government to take the men it needs away from universities.

Whatever figure replaces the prewar \$10,000 as the suitable salary for a very important post, it is to be hoped that more discrimination will be exercised in awarding it. In 1936 the government paid the head of its printing office the same as the head of the Reconstruction Finance Corporation, the director of the Bureau of Prisons the same salary as the Governor of Alaska, the three members of the Railroad Retirement Board the same as the three directors of the Tennessee Valley Authority, the heads of the Rural Electrification Administration and of the United States Texas Centennial Commission the same as the Solicitor General and the Comptroller General. The lack of discrimination in 1947 is obvious from the fact that there were about eight hundred jobs carrying the \$10,000 salary, and about four hundred more carrying only \$25 less!

It is, of course, true that many officers of government are paid partly in power, prestige, and other forms of "psychic income." Also, a sense of public duty may lead men to work for lower wages than they deserve. Full allowance for these facts will not, however, justify the present or past distributions of government salaries.

Reviews of Books and Documents

American Administrative History

By John M. Gaus, Harvard University

THE FEDERALISTS: A STUDY IN ADMINISTRATIVE HISTORY, by LEONARD D. WHITE. Macmillan Company, 1948. Pp. vii, 538. \$6.00.

I

THIS volume begins a systematic study of American ideas about public administration. My principal interest has been to explore the origin and growth of the opinions that Americans now possess about public management. These ideas can only be understood in the light of prevailing values and the events, personalities, and institutions from which they are largely derived." Thus Leonard White states succinctly in the preface the objective of the work on which he has been so long engaged. Let it be said at once that it should have a wide and long continued influence.

Not only do successive generations re-interpret past interpretations of events; within the same generation individuals and groups have different interpretations of the same earlier periods and episodes. Both the practice and the study of public administration have been affected by this fact. Woodrow Wilson pointed out in his article "The Study of Administration" published in the *Political Science Quarterly* of June, 1887, that "up to our own day all the political writers whom we now read had thought, argued, dogmatized only about the constitution of government. . . . The question was always: Who shall make law, and what shall that law be? The other question, how law should be administered with enlightenment, with equity, with speed, and without friction, was put aside as 'practical detail' which clerks could arrange after doctors had agreed upon principles." He goes on to predict that a period was beginning in which the study of administration would become important.

That prophecy has proved correct; but the

study has been handicapped. It has been carried on in a civic as well as academic atmosphere in which the assumptions concerning administration were not based upon or influenced by a re-examination of origins of modern government guided or stimulated by the new experience or knowledge. For example, we have continued to assume that the liberty of the citizen could be defined and protected only by "constitutional," legislative, and judicial activities and procedures. Experience should teach us that for freedom in our daily life, the integrity and knowledge of the administrator is at least equally important. Beliefs on this point, views as to what it is believed the Founding Fathers did and thought, are guides to current policy. Suppose one were to go back to the Founding Fathers again not with inquiries as to their views of the slave traffic, of judicial review, or the relation of states to the United States, but what they thought of functions, organization, financial controls, and the civil service?

That is what Leonard White has done. The time and manner of his doing it are both significant. He is one of those foremost in the fulfilling of Wilson's prophecy. "He is the author, or editor," the publisher records, "of some 15 books on public administration and kindred subjects." As a member of the United States Civil Service Commission, he has helped to shape policy in this field. He has been a creator in one of the chief centers—it could be argued, the chief center—of advanced studies in public administration. Yet for some years his interest and energy have been focused on this project in administrative history. He records in the preface the support of this research by his university, the establishment of a committee in this field by the Social Science Research Council, and the seeking out of advice and coopera-

tion. He dedicates this book, first fruit of the project, to the man who, as chairman of the Department of Political Science at the University of Chicago, gave encouragement and support to the work in public administration there, Charles Merriam.

These facts are cited to emphasize the conclusion that the study of public administration has now reached a stage in which it both needs and can contribute to a far richer conception of our past if we are to be freer intellectually in the present to undertake present and future tasks in civic affairs as well as scholarship. The fruits of such a contribution will not go unchallenged. The prevailing dogma is probably that of economic determinism. Administration is "mere accounting," or a "racket"; or it is equivalent to the invasion of liberty. Holmes' remark to Pollock that "when I pay taxes, I buy civilization" literally shocks a generation conditioned as ours. The traditional agrarian stands on common ground with his urban Marxist counterpart in opposition. The heritage of the European masses and that of the frontier coincide on the point—for lack of adequate sharp intellectual analysis of the role of government in our development.

That is why the undertaking of this project as a major task by one who has been a leader in the diagnosis of public administration and in the initiation of administrative improvement has general significance.

II

GRANTED the importance of the project and the significance of a decision to undertake it by Leonard White, what is the design and substance of his work? The time period covered in this volume is twelve years, 1789-1801, when the Federalist party held predominant place in the national government, notably in the Presidency, under Washington and Adams. Attention is given chiefly to the national government. There are forty chapters. They may be divided into four groups. The first nine chapters describe the general setting of administration in the new government, opening with an imaginary reverie by Washington in which he reviews in 1794 what had happened since the Philadelphia Convention. How were the constitutional provisions to be interpreted, given the problem of launching a new government

amidst the disintegration of the old? Who aided President Washington in this task? What did they do? What did Congress do? This group of chapters concludes with one entitled "George Washington as an Administrator" that illustrates one of the best qualities of the book, the successful effort to understand and interpret persons who played a major or humble but revealing part in administration from the point of view of their ideas and practices as administrators. The author has dared to assume—and prove—that persons are important as well as "interests" and "trends."

Then follow eleven chapters on the substantive departments, their internal control and their relations with one another, concluding with two on the Hamilton-Jefferson and Hamilton-Adams feuds. There is irony in the fact that we who think that bigness of scale and multiplicity of units may be the major obstacle to coordination of administrative policy and operations will find in White's chapters a record of the same difficulties when departments were few, functions limited, the tempo of life slower, and face-to-face relations more possible. Have we been wrong about "the span of control"?

Having described the general framework of political-administrative leadership and the substantive organization, Professor White turns to the "auxiliary service" topics of the civil service, financial procedures, and purchasing. His diligence in exploring materials and in organizing them interestingly for our use is nowhere better exemplified. He avoids both anti-quarianism and the facile acceptance of views about the standards and practice hitherto held on inadequate evidence. The chapter entitled "Some Civil Servants," with its accounts of the careers and personalities of more than a dozen officials of different types and levels of positions, conveys the tang of the civil service. The "Notes on Prestige" brings together the views concerning appointments and standards scattered among the papers of many active in government in the early days of the Republic. The description of the establishing of financial procedure throws light on our current issues.

From this point, in the remaining eleven chapters, the design is not so tightly logical. There is a chapter on territorial government,

including Indian affairs and lands, as "Government in the Wilderness." This and one on law enforcement may substantively be grouped with the earlier chapters on the line departments, as in fact the actual administration of these subjects was a part of their responsibilities. There is a chapter on "Federal-State Administrative Relations"; three are on the law of officers, administrative powers and sanctions, and administrative discretion. The short chapter on "The Problem of Smuggling" would seem to be essentially a footnote to that on the Treasury. A chapter on "The Problem of Communications" conveys both the physical handicaps of administration and the marked failure of the Federalists in a field which one would have thought they would at least have given the highest priority for aggressive public action. There is a useful and interesting description of "Administrative Housekeeping"—office space, equipment, and the like—that also conveys the physical difficulties of the new government. The most important of the chapters in the final group, however, are that on "The State of the Administrative Art" and the concluding chapter, "The Administrative Theory and Achievements of the Federalists." These, with the one on Washington, are examples of the contributions which a study of history undertaken with a view to exploring particular questions can make—and which this book makes—to history and the social sciences generally, and ultimately to the general knowledge which citizens have of their heritage. For example, "Writing in the field of public administration, in fact, began in the United States. It was Alexander Hamilton who first defined the term in its modern usage and who first worked out a philosophy of public administration. His contribution was original, although his ideas were not congenial to many of his fellow countrymen." (p. 478) And on page 512, the author has summarized in eleven points what he considers the "handiwork" of the Federalists in creating the American administrative system.

III

ONE cannot separate the style and use of materials of *The Federalists* from its substantial achievement. It is the most interestingly written of Professor White's books, with a

balance in length of sentence that fits the presentation of data followed by the firm and clean-cut appraisal and decision. It is rich in brief studies of the careers and recorded first-hand judgments of persons so that one begins to feel acquainted with a rich variety of people, from Washington, Hamilton, Jefferson, and Adams through the Pickering and Wolcott level to the postmasters, revenue officers, and clerks. Now and then we are nudged to note a "first"—the first scientist (a geographer); the first resources planning (forest islands, with trees for the Navy). Professor White's labors have clearly been long, and he has "gotten his fingers dirty in the documents," as an able historian once described the basic requirement of his guild. He has gone to the letters, the archives, the family papers. But let us not pity him. Obviously he has enjoyed himself! And he has conveyed his pleasure, and the sense of somehow entering, across a century and a half, the minds of those who were creating the new government in New York and Philadelphia and, finally, Washington. Like the appearance of the *Dictionary of American Biography*, such a book marks a certain coming-of-age in our studies; we see a far more varied and qualified period of beginning than "the Critical Period" or the rivalry of Hamilton and Jefferson. Frankly as the author states his admiration of Hamilton, he is equally strong in appraising objectively his career and views. On this and other points in dispute, he convinces the reader that the evidence—and more evidence than has hitherto been presented—is being studied with honesty, and with the sole intent of seeking to understand what the problems were and why the decisions were made as they were.

The reader concludes with a keen interest to follow Professor White's presentation of the further administrative experience in volumes yet to appear, and ample food for thought and inquiry concerning what has already been so generously given him. Many lines of exploration are opened, or presented in a new light. The relative importance of state administrative history, for example (happily being explored by Goodrich, Handlin, and Hartz); the appraisal of the role of ideas of administration (one on Brooks Adams' views has just been completed by T. H. Anderson); the inaccuracy

of applying the term "laissez faire" to the ideas of the Founding Fathers, an inaccuracy combatted in Hamilton and Adair, *The Power to Govern*; the curious incompleteness of Federalist political-economic achievement, for example as to land and transportation programs; the concepts of public service, so much higher than those of other countries of the time; the influence of local attachment and rural life on attitudes toward government; the influence of the lawyer, yet the apparent absence of college influence on administrative ideas (neither "college" nor "university" appears in the index, although Washington's proposal for a national university is mentioned)—these are only a few of the many topics which some passage in the book stimulates one to explore.

The work of Tout at Manchester in his studies of administrative history, continuing through his disciples, has contributed profoundly toward a revaluation of English history. Professor White, through his writing and through what we hope will be a long period of guidance of younger scholars, may help us achieve similarly a cumulative result despite the more dispersed and episodic nature of American scholarship with its many centers scattered across a continent. The events of recent decades, notably the expansion in war and depression of collective public action, should lead us to a re-examination of the cameralist and mercantilist period. (A scholar of the University of Chicago, Albion Small, wrote on the cameralists; the book, alas, is long out of print.) As he continues his work and others work in this field, the need will arise to relate the American experience to that of other countries, and within the American experience to fit the national aspects with those of the states and urban and rural governments. What White says as to local attitudes, for example, is an interesting introduction to the observations of de Tocqueville in the 1830's.

A more specific charge which we must place upon him is the preparation of an essay for one

of his volumes to come or for separate publication (most fittingly in this journal) indicating the studies that have been done, such as the earlier work of Osgood, for example, on the colonial period or that of Bridenbaugh on the early cities, and the materials he has come upon that await the scholar.

The excellent work already done or now appearing—one thinks of Short's history, or of the new study of the Presidency by Hart—would be enhanced in usefulness to scholars if it were brought into relationship with the entire sweep of the achievements and needs in administrative history. There would seem to be a specially challenging opportunity, for example, for the cooperation of state and local historical societies with university departments of political science for the discovery and recording of a "usable past" in state and local administration. And in educating ourselves, we might—who can tell—even educate some foreigners at least to a point of slight suspicion that their conception of the United States is too simple.

These are only a few of the thoughts stimulated by *The Federalists*. One would like to discuss many other points. Did the Founding Fathers adopt the same departments and nomenclature as those of the British Empire of which they had been a part? Did Burke in *Thoughts on the Cause of the Present Discontents* anticipate Hamilton as the first to discuss "public administration" in a "modern" sense? Did the American Revolution mark a break with, or a confirmation of, mercantilism? Was the democracy of the time a matter of local autonomy? states' rights? or nationalism? Was Hamilton, after all and in spite of all, the radical and Jefferson the conservative? Leonard White has himself to blame if we are led to such questionings from his book, and if we hold him up to further questioning as he follows the story of American administration into the period of the settlement of the continent and the rise of the cities.

Security without Militarism

By Elias Huzar, Cornell University

CIVIL-MILITARY RELATIONSHIPS IN AMERICAN LIFE, EDITED BY JEROME G. KERWIN. The University of Chicago Press, 1948. Pp. v, 181. \$2.75.

I

IT HAS been a tradition of the American political system that military power should be subordinate to civilian authority. Constitutional design and prevailing circumstances have long favored that relationship; but recent developments have threatened its maintenance and have revived fears entertained by the framers of the Constitution. They were concerned lest the military and naval forces they authorized be employed not only abroad against foreign foes but also at home against domestic freedoms. They were afraid that the armed forces might be used not merely to "provide for the common defence" but also to undermine another purpose of the Union, to "secure the Blessings of Liberty to ourselves and our Posterity."

What are the conditions that give rise to militarism and how is civilian predominance to be safeguarded? These are the questions with which this volume deals. It provides some answers and suggests clues to others. The book is the result of eight lectures given on the Charles R. Walgreen Foundation for the Study of American Institutions at the University of Chicago during 1946-47. Waldemar Kaempfert, science editor of the *New York Times*, writes on "Science, Technology, and War." Dixon Wecter, chairman of research at the Huntington Library, discusses the transition "From Soldier to Citizen." Hanson W. Baldwin, the *New York Times'* military editor, reviews the problems involved in "The Recruitment and Training of the New Armed Forces." Paul H. Appleby analyzes the difficulties of "Civilian Control of a Department of National Defense." T. V. Smith, former director of Italian re-education for the Allied Control Commission, deals with the "Government of Conquered and Dependent Areas." Quincy Wright, professor of international law at the University of Chicago, examines the role of "The Military

and Foreign Policy." Adlai Stevenson, alternate member of the United States delegation to the UN, sketches the "Civil-Military Relations in the United Nations." Charles E. Merriam recapitulates and rounds out the series in an essay on "Security without Militarism: Preserving Civilian Control in American Political Institutions."

The study of American civil-military relations has not engaged the attention of scholars nearly so much as the contemporary importance of the subject makes one wish it had, for we are sorely in need of enlightenment. Little of the insufficient analysis we have had has been in terms of the political and administrative practice in which the realities of civilian control must be sought. Some bibliographical notes on prewar publications dealing with administrative problems of civilian mobilization were brought together under Pendleton Herring's direction and published in 1940 by Public Administration Service under the title *Civil-Military Relations*. In 1942 Farrar and Rinehart issued a useful syllabus on *War and National Policy*, edited by Grayson Kirk and Richard Poate Stebbins. Since then we have seen the start of a stream of publications about World War II, particularly the administrative histories and personal memoirs such as those of Henry L. Stimson and Donald M. Nelson. Still, there is nothing available for our own armed forces comparable to Alfred Vagts' admirable book on *The History of Militarism*, which is concerned chiefly with European experience. This is a result, partly, of the fact that our own experience has not often posed serious problems in civil-military relations of the type we face today—an historical deficiency in which we may rejoice, though we may regret the absence of the sophistication which a harsher history might have provided. Partly, also, the gaps in our understanding have been a result of an indisposition of academicians to deal realistically with the role of force in social relations. The present volume is a welcome addition, then, to a sparse, though growing, literature on what bids fair to remain a major problem in American political institutions.

Civil-military relationships in American life is a field whose boundaries are ill-defined, the more so the more "total" war has become. It is also a subject that no one book could cover adequately—at least, with our present inadequate knowledge about it. It is regrettable that room could not be found in these essays for more than brief references to our experience and problems in administration of scientific research and development and to the difficulties of mobilizing the national economy to supply our military forces and Allies. With these major exceptions, however, the eight writers manage to take up most, though they exhaust none, of the significant aspects of civil-military relations in the United States. Even though the book does not pretend to be definitive, it is full of stimulating suggestions on a timely topic. It raises more questions than it answers and poses more problems than it solves. We may share with Herbert Emmerich the hope that it will lead others to regard national defense as an obligation of scholarship and to study, write, publish, and teach about it.

II

WHAT is it that the writers of these essays fear about the armed forces? The dangers are twofold. First, there is the possibility that the professional soldiers, sailors, and airmen will become "bureaucrats" and will do a poor job in their several specialties. Second, there is the possibility that they will become "militarists" and will exercise undue influence over other than strictly military functions. The first danger is one that has not infrequently plagued our military institutions. The second is a newer and more serious threat. Both difficulties are commonly supposed to stem from certain traits attributed to professional military men.

Merriam observes that "there are virtues within the legitimate scope of military functions; courage, sacrifice, tenacity, alertness, are among these attributes encouraged in military groups under the most favorable circumstances, as over against cowardice, selfishness, indifference, weak will." (p. 158) Wright catalogs some of the chief characteristics frequently associated with "the military mind." One group of traits is lack of inventiveness, traditionalism, and incapacity to perceive the obsolescence of methods or weapons. Kaempfert documents

this point in his brief discussion of the "culture lag" in military organizations, though he demonstrates clearly that the needs of the armed forces have been a major stimulus to the development of modern science, atomic energy, for example. Another group of characteristics consists of patriotism and nationalism, advocacy of preparedness in time of peace, and an irrational conviction of the inevitability of war. A third set of traits is overconfidence in the applicability of the military method to the solution of problems in international relations. Finally, there is an alleged tendency among military men to favor discipline, order, planning, and even regimentation in economic and social as well as in military life.

How widespread these mental patterns are we do not know. In defending military men against such charges, former Secretary of War Robert P. Patterson has declared that "there is no set type of military mind. . . . I have never seen the signs of a military mind that could be identified as a single type, any more than there is a lawyer's mind, an engineer's mind or a merchant's mind. Mental equipment and outlook on life vary as much in the Army and Navy as with other occupations or callings."¹ Wright concedes that military men elected to the office of President have not displayed many characteristics of "the military mind," though he does not doubt that many military men suffer from them. However, distortions of thinking such as those listed above are not unique to military men. They are found in all professions, fostered by training, specialization, self-interest, and so on—and, in the armed forces, aggravated by the separation from civilian activities that accompanies service at isolated military posts, on ships at sea, and in overseas garrisons. Still, the fact that the difficulties may be universal does not make them any less a problem in the armed forces. It merely supplies perspective and clues for solutions.

Wright suggests that civilians have certain advantages over the military. They are readier than the professionals to accept and adapt themselves to new developments in military technology and policies. They have more confidence that the world can be organized politi-

¹ War Department press release containing the text of an address at a meeting of the Alumni Association of Columbia University, June 3, 1947.

cally for peace. They are more likely to appreciate the facts that armed forces are only one element in a nation's power; and that, even in the conduct of wars, diplomacy, economics, science, and propaganda may be more important than strictly military power, essential though that is. Finally, civilians are more disposed to support and to implement subordination of the military to the politically responsible civilian authorities.

A great deal of the superiority attributed to the (whose and how typical?) "civilian mind" is nothing more than the result of forces comparable to those which influence military men and produce limitations in civilian minds similar to those for which the military are criticized. Civilian minds may be as narrow and unadaptable as military minds—and this is a major source of the difficulties of integrating government programs for national security. In any case, military men have much of value to contribute to the process of government. Their judgments must be considered if the government is to balance ends and means, diplomatic commitments and military power. The President and the Congress must balance strategic requirements, say for overseas bases or armaments, against possible liabilities in international and domestic politics. This is where such decisions belong—not only because these politically responsible officers are the instruments through which our constitutional system works, but also because military means are only one of several, and not necessarily the best, methods by which the ends of public policy are pursued. Thus, for example, the policy for "containment of communism" is being implemented by the Marshall Plan and the Voice of America program as well as by our armed forces. Again, Congress has recognized the relationship of military policy to diplomatic and economic policies in the provisions of the law for unification of the armed service departments for a National Security Council and a National Security Resources Board. In making decisions on matters involving the national security, then, the chief civilian officers of the government should listen to our military leaders—probably more than they often have in the past, but perhaps less than they seem inclined to do in some cases at present.

In spite of criticisms of "the military mind,"

there has been a growing tendency of late to grant military men increasing influence in public affairs. It is this development and its threat to civilian supremacy, rather than "bureaucratic" weaknesses within the military establishment, that most disturbs those who are critical of "militarism."

American military men have often been successful candidates for political office, but fortunately they have not been disposed to use military strength for that purpose as frequently has been the case abroad. Wecter analyzes the composition and attitudes of the sixteen million veterans of World War II and concludes that "this nation stands in no danger from masses of soldiers who refuse psychologically to demobilize. . . ." (p. 24) At the same time, as a result of their own momentum and the wooing of interested politicians, veterans continue to be a potent force in American politics. How will their experience as military men affect their activities as citizens? Wecter suggests that they are less likely than civilians to be impressed by the mere fact that a candidate has had a war record, and that many of them have had enough of military controls. In what direction will they throw the influence they exercise through their various organizations? Will they be preoccupied with special group privileges and benefits or will they act on the assumption that the veterans' welfare is inseparably related to that of the rest of the community of which they are a part? What effect will they have on foreign policies, military preparations, and domestic economic and social programs, particularly if the country falls into hard times again? What will be their net impact on civil liberties and the democratic processes of government, especially if the country should be faced with domestic disturbances and attempts are made to enforce order and to preserve the status quo by military means, or if people succumb to the temptation to accept authority in order to escape from the exercise of their political responsibilities? These are some of the questions raised, but far from fully answered, by the essays under review.

It is not the military alone, however, who are attracted to the expansion of military influence in public affairs. Opinions differ on how much the penetration of "civilian" agencies by military men is the result of a will to power on the

part of the military and how much it is a consequence of the attitudes and actions of civilians. The military, like any other, bureaucracy are subject to imperialistic impulses which impel them not only to increase the armed forces but also to reach out to control related activities on which the success of military effort proper may depend, for example, scientific research, especially in atomic energy, and industrial mobilization. It has been easy to rationalize such expansionist tendencies in terms of national security and many civilians go along with, and even urge, growth of military influence over other-than-military agencies and programs.

This is bad business when measured by standards of efficient, as well as of popular, government. It dissipates the energies of military administrators leaving less time for management of the armed forces whose organization, strategy, and tactics stand in need of revision to bring them into line with contemporary technological and political developments. It threatens to lower the quality of administration in the nonmilitary agencies by placing their control in people less likely than appropriate civilians to manage them efficiently. It promotes the mistaken idea that military defense is synonymous with national security and thus leads to the neglect of other aspects of that security. In other words, "civilian supremacy" can be justified on grounds not only of civilian self-interest and constitutional doctrine but also of administrative effectiveness.

Despite these considerations, however, the recent tendency to staff government agencies with military men and to subject public programs to their direction or influence continues—in diplomacy, research, education, industry, and other areas. These developments have been summarized by Hanson W. Baldwin in an article entitled "The Military Move In," which appeared in *Harpers* for December, 1947. How shall we account for this tendency in face of the tradition of civilian supremacy and military subordination?

A great deal of it stems from the fear that there will be another war, a belief that we must prepare for it now, and a feeling that military men are best equipped to manage the preparations—which are conceived in more inclusive terms today than they were before wars became

"total." Some of it is the result of the failures of civilians who are insufficiently aware of our constitutional theory of, and insufficiently sensitive to the need for, a line of separation between civil and military authority. Some of it is an accident of personal acquaintance by appointing authorities who have been impressed by the administrative records made by military men in the armed services. Some of it is due to a conviction on the part of these authorities that they will be able to control their military appointees and to check any "militaristic" tendencies they may display. Some of it is a consequence of attacks on civilian bureaucrats, at the same time that glamour, prestige, and special dispensations enhance the status of the military profession. (Ironically, leaders of the armed services have complained in recent months that attacks on the military have undermined and discredited their profession and have hurt the military establishment by discouraging competent men from joining, or remaining in, the armed forces.)

Some of it is the result of the government's inability to secure the services of capable civilians because salaries and other conditions of employment are unattractive; for example, the President's attempt early in 1948 to secure special legislation for appointment of General Kuter to the CAB. Some of it results from a desire to take agencies or programs "out of politics"; for instance, the WPA after the 1938 elections. Some of it follows from the emphasis on "security mindedness" characteristic of this period of uncertainty and fear, as in proposals to restore control of atomic energy to the military. Some of it, finally, stems from an exaggeration of the competence of military men and inadequate discrimination between the civilian jobs for which their experience qualifies them and those in which it is not particularly relevant. Perhaps the most remarkable illustration of this attitude is the willingness of assorted groups to take General Eisenhower as a presidential candidate "sight unseen," without knowing his views on important public questions.

III

How, in view of these developments, is civilian supremacy over military authority to be made effective? How can we implement the

political philosophy expressed by Viscount Trenchard, Marshal of the RAF?

In a democracy, because it is a democracy, the fighting man is the servant of the statesman and strategy is profoundly affected by internal and international politics. The military chiefs are the advisers on military policy and the executives through which that policy, once decided, is put into effect. The responsibility is with the statesman who has to justify his actions and maintain his position in a legally constituted representative assembly, representative of the people, whose knowledge of military matters is nonexistent and whose judgment is frequently wrong, based as it must be in war on a necessarily incomplete possession of the facts.²

How are we to keep the military machine an instrument, and prevent it from becoming a master, of government policy?

One way out of the dilemma is disarmament. It could be argued that the happiest solution to the problem of obtaining security without acquiring militarism would be to reduce, or to eliminate the need for, armed forces in international, and domestic, politics. It seems more realistic, however, to assume that military power will continue to play a major role in public affairs in the foreseeable future—that, as Merriam says, force will continue to be “employed in self-defense to make possible the conditions under which reason and co-operation may live and advance to higher levels.” (p. 159) Thus, Smith notes that in countries conquered by American forces in the late war we have been subordinating our military to their civilian authorities, that we are “determined to subordinate the military even if we have to use the military to do it!” (p. 98) Even the United Nations Charter makes provision for international application of armed force to maintain or restore peace, a function whose administrative and substantive difficulties Stevenson outlines in his essay. But the UN’s experience to date has not been such that one may safely conclude there is no danger of resort to another major test of arms among the great powers. American military policy, like that of other countries, still is based on the assumption that nations must depend for their security on their own, and their allies’, forces rather than on law and international armed forces. Our de-

mobilization after 1945 was rapid, but the military, naval, and air establishments that remain exceed by far their counterparts in any previous period of “peace”; and the prospects seem favorable to continuance of the armed forces at high levels. A large military establishment, however, poses a problem of unfamiliar dimensions in American civilian control of the military, for standing armed forces, even if dispersed, are always a potential menace to that control—though navies may constitute less a threat of domestic oppression than do armies. As Wright puts it, “the world is still an anarchy, and states may feel compelled to become tyrannies.” (p. 133)

If disarmament is not the answer to security without militarism, neither, in view of the nature of modern warfare, is resort to civilian components in lieu of professional armed services. Baldwin analyzes the nature of the military danger to the United States in a future war and outlines the strategy and forces required to meet it effectively. He foresees the principal threat not as one of large-scale physical invasion but as that of massive assault by atomic bombs and transoceanic rockets, planes, and submarines. He believes that the offensive has an ascendancy over the defensive at a time when our air and sea frontiers have become “live.” How, then, are we to protect the continental United States, which is not only of tremendous importance as a supply base but also has become the main operating base of our armed forces? There can be no perfect protection against surprise attack by guided missiles and atomic explosives. On the home front, modern war calls for defenses of a magnitude and a complexity that this country has never had to provide before, though initial steps were taken in the last war. It calls not only for active measures such as air and missile interception but also for passive measures such as anti-air-borne work and disaster control. Against the enemy, Baldwin writes, “there is . . . no defense except a strong offense—the threat of retaliation in kind, the threat of worse blows against the enemy homeland than any the enemy can deliver against us.” (p. 47) Such defense calls for strong forces instantly ready for offensive action; and such forces must be full-time professionals since mastery of modern arms and readiness to retaliate are beyond the capacities of

² *The New York Times*, January 28, 1942, p. 8.

part-time civilian components, though they have a vital role in home front defense and as reserves for the regular forces. Baldwin argues against universal military training; and he contends that the necessary forces should be recruited on the basis of voluntary, long-term enlistments. He believes this is possible if service is made sufficiently attractive and if military personnel management is modernized—an estimate which, for various reasons, has not materialized, so that selective service has recently been reestablished.

If we must have a large standing establishment, how is it to be kept responsive to civilian controls? The provisions of the Constitution make clear that the Founding Fathers intended that military forces should be instruments rather than directors of public policy, and that they should be controlled by the politically responsible agencies of the government, i.e., by Congress and the President. Congress was vested with authority to raise an Army, to maintain a Navy, to make rules for government of the armed forces, to vote appropriations for their support—and thus to control their size, and to declare war. The President was authorized to appoint officers and was made Commander in Chief of the Army and Navy, the final authority for direction of the armed forces. It seems to have been the framers' intention, as it has been the tradition in practice, that most presidents, and more secretaries of the armed service departments, should be civilians. These and related constitutional provisions point the direction and provide some of the safeguards needed for civilian supremacy over the country's armed forces—but they do not insure that result. Civilian supremacy requires a great deal more if it is to be made effective. As Appleby says, "Civilian control . . . cannot be achieved by slogan or by fiat. It cannot exist in an administrative vacuum." (p. 70) It requires not only submissiveness on the part of the military but also confidence, intelligence, and wisdom on the part of the top civilians; and it needs appropriate organization and staffing in the Congress and the Administration. We have been, and we remain, defective on all these counts.

It has been this country's good fortune that our military leaders have regarded themselves as servants of the people rather than their mas-

ters and have not been inclined to use their military authority as a vehicle on which to ride into public office or to maintain themselves in positions they have won by popular election. This happy result has been accidental more than it has been a matter of deliberate design. We need to know more about the circumstances that encourage such a frame of mind on the part of the military and about the conditions under which it breaks down, and to act systematically on such insight. For example, the pre-service background and the in-service training of officers and enlisted men have much to do with the respect they accord to orders of their civilian superiors. And agencies other than the top executive officers affect the responsiveness of the military establishment to civilian orders: the Congress, the courts, the people, the press, and the armed forces themselves, for the habit of obedience, to a great extent, is the result of military training. Programs for recruitment and for training of our armed forces should be planned, among other things, to promote the tradition of civilian supremacy over military authority, as well as to counteract "bureaucratic" tendencies within the armed services.

We need more than subordination of the military, however. We need intelligent direction by civilians as well. If our military officers need broader education in the conditions of the society in which they function, our civilian officials need a fuller understanding of the role of force in that society's operations and of the methods for controlling the armed services. We need civilians in the Congress and in the Administration who have confidence in their capacity to direct the armed forces—and who have the facilities, information, and judgment to justify that confidence. Adherence to the formalities of civilian supremacy may conceal wide departures from that principle. Military influence in public affairs will be as great as civilians in controlling positions are willing to allow it to be. Certainly the views of military men should have weight in public councils; but, for reasons already suggested, they should not be accepted without question, even in "military" matters. At the same time, the civilians concerned have an obligation to inform themselves so that they will not act ignorantly when they weigh military advice.

The central problem posed by claims for additional military control over agencies and programs concerned with national security is not so much one of "militarism" as it is one of domination by a part of the whole. The means for pursuit of foreign and domestic policies are multiple and interchangeable; but this basic consideration often is obscured by organization that encourages separatism instead of integration and by attitudes that confuse national security with national defense alone. National security requires over-all administrative and legislative leadership which can see things whole and relate them in thought and action, and leaders of individual agencies and committees who recognize that they are dealing with only part of a total program to which their efforts must be related.

The weaknesses of Congress in exercising its controls over the armed forces have been essentially the same as its shortcomings in directing and supervising civilian agencies. Legislative committees, like administrative departments, whose thinking they often reflect, tend to over-emphasize the particular means for promoting the national security with which they deal. And legislative leaders, like the President, lack many of the facilities needed to promote coordinated action. These problems receive little attention in the volume under review. However, Appleby observes that the decisions of the armed service committees are pretty much accepted by Congress although these committees are less civilian in character and attitude than Congress as a whole. He also warns about the dangers to civilian control that may result from congressional curtailments of presidential and secretarial authority over the military forces out of jealousy for a rival institution. Congressional weaknesses in passing on military recommendations and in supervising the armed forces have been remedied to some extent by the Legislative Reorganization Act of 1946; but a great deal remains to be done, especially in oversight of military administration.

The difficulties of the President and of the defense secretaries in controlling the armed forces are analyzed by Appleby in terms familiar to those who have read his *Big Democracy*. He wants to provide for such a balance in administrative structure and power as will bring up to the President the questions significant

for effective control of the armed forces—for example, by strengthening the relevant functions of the Department of State and keeping administration of embryonic civilian war agencies in civilian hands. Coupled with this need is that for adequate staff assistance—civilian as well as military, institutional as well as individual—which will enable the Chief Executive to act intelligently on the issues he undertakes to settle. Appleby declares that "the strengthening of the whole executive office staff and its better organization to make for balance, integration, and control of the executive government is the greatest single need in the field of public administration in America." (p. 89)

Appleby's comments about management of the armed service departments are in the same vein. Structure should be devised partly with an eye to its function in raising issues so that questions which require top level attention will receive it, while others are kept at appropriate lower levels; and the defense secretaries should have not only a military but also a civilian staff. He feels that intradepartmental civilian control has been too much a matter merely of political morality and too little one of administrative structure and facilities. Both, however, are essential for the purposes of real civilian control. Thus, Josephus Daniels, as Secretary of the Navy, was wrong in opposing a general staff for management of the naval establishment but he was right in sensing the danger that such a staff might also manage the Secretary.

These essays do not include a discussion of the unified defense department which Congress established in 1947; but two comments may be in order here in light of the foregoing discussion. One is that the legislation has left ample opportunity to the three armed forces—and their spokesmen have been sufficiently moved—to present their particular views to the Secretary of Defense, the President, and the Congress. The other is that the staffing of the department is deficient in two respects. First, the principal instruments on which the Secretary must rely for advice are joint agencies made up of representatives of the three armed services rather than truly departmental organs. Second, the civilian staffing at the secretarial level for programming, budgeting, personnel, research, and other functions probably is inadequate for

effective civilian control of the military establishment.

Civilian control of the nation's armed forces is only a special case of the management by politically responsible officers of government agencies with professional bureaucracies. Control of the military establishment may be a more formidable task than management of civilian agencies; but the lessons in the two areas are interchangeable. We need not yet despair in either case, though we have a long way to go before we fully understand what it takes to exercise that control and are able to make it effective. The essays in the book under review do not carry the analysis of the administrative

and political requirements of civilian control of military authority very far; but they do open up the way and raise enough questions to occupy for a long time those who can turn attention to civil-military relations. The necessary research, thought, and action may be encouraged by awareness that the consequences of failure in politically responsible direction and supervision may be more serious in the war agencies than in their civilian counterparts. In both cases, however, it is well to recall Appleby's warning that "civilian control is never finally achieved but poses a continuing problem requiring constant watchfulness. . . ." (p. 90)

Volunteers in Retail Price Control—A Postscript

By Charles Aikin, University of California

VOLUNTEERS IN OPA, by IMOGENE H. PUTNAM, General Publication No. 14 of the OPA Historical Reports on War Administration, U.S. Government Printing Office, 1947. Pp. ix, 166. \$0.35.

I

THE OPA volunteer price control program can be described either as one of the genuinely significant administrative developments of the war period or as "the failure of a mission"; and both characterizations will be accurate. The local war price and rationing board price program never succeeded in attaining its objectives nationally because of a lack of understanding of what it was and of what could be accomplished through it, and also because of confusing commands and no small blundering on the part of OPA planners at each level of administrative authority. Yet, in exceptional cases it succeeded beyond justifiable expectations, and through its successes one finds an interesting and potentially useful device that can be valuable in the conduct of large and complex bureaucratic programs in the inevitable crises of the future.

Why was it that the heads of the national office of OPA and also those of most district offices rejected local board participation in price work for a considerable time near the begin-

ning of the program? How can one account for the fact that Washington executives—men who planned so ably in establishing the basic form of price control—did not contribute to the price work of local boards? Conversely, how was it administratively possible for a program involving scores of thousands of volunteers and devouring an ever increasing proportion of the agency's budget to be forced on a reluctant national office by field offices, and by a minority of field offices at that?

This program is a difficult one to appraise. As it is an easy one to describe and appears to be simple to understand, why was it so extremely hard to make it work? Just why was it that some boards performed ably and others, that were almost identically staffed and equipped, failed? Why was it that a good board might, after months of excellent work, suddenly cease to function? Too, what was it that happened to notoriously inept boards that—on rare occasions—led them suddenly to mend their ways?

Why were these war price and rationing board price panels so hard to supervise? Was there something peculiar about the problem of field supervision when applied to local boards? Experience indicated but did not explain why

price panels that refused to adhere to price regulations were so difficult to discipline. The panels were staffed with volunteers, men and women, who often enjoyed speaking of the sacrifices which board work entailed and commented nostalgically of the good old days when their evenings were to be used as they saw fit. Then why did they often resist removal with a tenacity rarely shown by a paid public official? It is easy to understand why OPA officers struggled to hold the boards "in line," but why was it so difficult for a district office liaison officer to demonstrate to the volunteers the need for basic uniformity and loyalty to the program ahead of loyalty to community?

After the close of the crucial first year of the program and after the Washington staff of OPA had accepted the price panels into the official family, the price administrator and his principal assistants bombarded the local boards with praise of the work they were doing and with promises of ever increasing aid to be sent to them in the form of increased budgets for clerks and other paid assistants. Why was it, then, that the boards felt largely unmoved either by these statements or by the crises OPA was constantly being compelled to meet? Why was it that even the best of boards could watch the annual struggle waged between Washington OPA officials and congressional committees with almost as much detachment as that felt by the local plumber or bootblack?

One can continue asking question after question. Why, for example, was it difficult to get accurate statistics from boards and why was it even more difficult to interpret those that were collected? Again, why was it that Washington policy makers after unnumbered expressions of confidence in price panels and frequent declarations that these panels were the very cornerstone of the entire program turned around within three days after V-J Day and prepared orders for the immediate mass dismissal of price volunteers of local boards—orders that were withheld only after a hornet's nest of field opposition developed?

Was it agency immaturity or a lack of fully equipped leadership that led OPA frequently to muddy the waters of local board relations with district offices by intra-agency strife? Should price panels be controlled by district office price officials and rationing panels by dis-

trict office rationing specialists, or should both be handled by district office generalists who were concerned about smooth board operations rather than the intricacies of either program? Should the enforcement representatives touch the boards at all, and, if so, at what point and for what precise purpose? Too, why did district offices send so many rationing specialists who were opposed to price control in principle to work with boards?

These are questions that arise in an appraisal of the role of volunteers in retail price control. Some of them should be answered before one sets out to build on the experience of the Office of Price Administration in planning volunteer programs in the future. The answers to others would throw light on phases of the administrative process in governmental areas unconnected with price control. Unfortunately, most of these questions are not answered in *Volunteers in OPA*. The fact that the author scarcely demonstrates an awareness of the existence of many of them weakens the usefulness of the book despite unquestioned value in much of the presentation. A full account of the birth, uncertain infancy, extravagant maturity, and death of local board panels will never be told although the many program and area histories filed with the National Archives will throw some light on these baffling institutions. Studies published today can be but fragments of the whole, for few records were made by the many thousands of actors in the drama, of either the parts they played or the lines they spoke. *Volunteers in OPA* never quite sets the stage, fully defines the foundation problems, or indicates clearly just what are the lessons that can be learned from price panel performance.

II

THE pattern of a price panel changed but little from the summer of 1942, when the first successful panels were formed, until they were closed on November 4, 1946. While it is true that after some experience with single panels, that dealt with all phases of the retail price control system, most city war price and rationing boards established multiple panels, each of which specialized by commodity group (food, apparel, durable goods, restaurants, or consumer services), and while it is also true that

these later panels had more adequate secretarial assistants, the structure and operation of panels remained fundamentally the same.

At the head of the panel was a chairman, a volunteer from the community who was frequently one of its better known citizens. If he—or she, for some of the best chairmen were women—was a good chairman, he dominated panel proceedings, without monopolizing them. Procedure of a well run panel either in private conference or, a little later in the program, at a price hearing was informal but regular. Before a merchant who had violated a regulation was brought into the hearing room a pre-hearing conference was held at which the file of the merchant was examined—a file containing a complete record of the over-ceiling sale or survey report on which the hearing was based, as well as any other pertinent board record about the merchant, such as previous violations and possible enforcement actions. When the merchant, who had previously been informed of the nature of the complaint, was brought into the room, he was reminded of the charge and was given freedom to tell his side of the story. He could be accompanied by an attorney but he was required to answer the questions himself. The chairman opened the discussion but permitted other panel members to join in the questioning. If issues of fact that required further information arose, the hearing might be adjourned until a later time. Generally this was not necessary, and when neither retailer nor panel members had further questions, the retailer retired. The panel discussed the case, decided what action—if any—was warranted, and if action was called for, recommended it to the supervising district office. The salaried price clerk attached to the panel informed the merchant of the panel's conclusion, sent a report to the district office, and when further action was taken by the district office, informed the panel what that action was. Full records were kept of the hearings.

Of the hundreds of panels that adhered to this procedure, or to a slight variant of it, not more than one in ten could be classed as doing a fully adequate job and probably no more than one in a score as outstanding. What made for success and what for failure? No analysis issued out of the Washington office of OPA ever diagnosed these problems. National office re-

leases spoke favorably of a volunteer's regular attendance at board meetings, of his standing in the community, of his loyalty to the program, and of his diligence in the interests of price control. The fact remained that the quality that made for panel success was a tenuous thing, hard to identify. Certainly the test of a panel could not be based on regular attendance at panel meetings, even though a member could not accomplish much if he stayed away from them. Nor could it be based on the member's giving hundreds or even thousands of hours time to board affairs. Panel excellence was rarely based on the standing of its members in the community or on the respect paid to the panel by the local merchants' association or newspaper, although anyone of these might help. In fairness, no panel could have been tested solely on the rigidity of its adherence to Washington, regional, or district price regulations; for there were times when panels of integrity, intelligence, and good will had to realize that strict program uniformity in this huge nation with its complex and diversified economy was not an unmixed blessing. And finally—although many district office board supervisors will dispute this—a panel's excellence could not be gauged by the way in which the panel cooperated with the district office.

The able panel member had to learn the basic requirements of complex price regulations, to keep abreast of frequent amendments to them, and to know how to find answers when he was puzzled. He had to work at his job: spend time visiting retail stores to check up on the state of compliance, relay important happenings to his district office supervisors, and attend board meetings with regularity. He had to resist the temptation of becoming a self-appointed representative of the local merchants, resolved to protect them from "the hair-brained ideas of a lot of Washington bureaucrats." He had to know what to do with a first offender and with an "old customer" who could explain away every violation; he had to know how to handle unrepentant merchants who sneered about the *Gestapo* and regimentation and the violation of the eleventh commandment—the law of supply and demand. Too, he had to know what to do when his own butcher was called up for a hearing.

How could this process best be described? To

some merchants—and to a few board members as well—the panel was a court, cold and merciless, imposing what they described as fines for the smallest breach of an involved price regulation. To the national office of OPA it was something quite different. Starting in 1943 and continuing until late in the program, that office deluged the country with a stream of skillfully prepared official releases that were designed to make local board participation in price control more acceptable to the retailers of the nation. The particular device selected for this purpose was that of referring over and over again to the panels as committees of neighbors who gathered with those merchants who had not complied with regulations to explain their errors. Where violations continued, the nation was told that the panels would resort merely to “neighborly persuasion” to bring the retailer “into line.” Neither this often repeated official description of a price panel nor the very much harsher view of a few panels accurately characterized the work of the best boards. At times, and particularly with first violators, neighborly persuasion was enough. But as the program developed, more and more of the merchants called before the panels were second or third offenders. The temper of board action changed roughly in proportion to this change. In fact, the “persuasion” that a good panel brought to bear on an open violator of retail meat prices when meat was in particularly short supply was about as neighborly as a judge in a court of law sentencing a recalcitrant lawbreaker. Thus it is a surprise to read in *Volunteers in OPA* that “By the beginning of 1944, Bowles had achieved a climate favorable to the work of volunteers . . . and had inspired those volunteers with a firm belief in the power of neighborly persuasion.” (p. 91)

To field price officers in areas where the local board program was effective, this view of the volunteer price panel was patently inaccurate, even though it correctly stated the view that was held by the principal policy makers in the Washington office. This presents in one of its many forms the most puzzling administrative problem that grew out of price control: the difficulty encountered by central office personnel in directing the development of the price program at the board level. It was a program Washington never mastered and—possibly be-

cause of that fact—it was a program that never quite succeeded.

III

VERY early in the history of price control a few in the national office hopefully considered the possibility of using boards for price work. In a *Price Letter* dated May 28, 1942, the price administrator, after indicating the increasingly important role local boards would play in price control, declared: “In fact no program for overall price control can be successfully carried out unless every local community participates actively in its execution.” Then at a national price conference at Chicago in July, 1942, the senior deputy administrator even suggested that boards might eventually be trusted with passing on applications for price adjustments—this at a time when the national office was reluctant to delegate such powers even to its regional offices. However, by that time the national office was entering the second phase of its relations with local boards, a period in which it held itself aloof from the isolated experiments with board participation in price control that were occurring in a few field offices, principally in New England and on the Pacific Coast. Nevertheless, a certain curiosity led the price administrator’s office to send two investigators into the field to study board developments—A. G. Antolini and Hamlin L. Gresinger—but the results of those studies were not made available to the field.

It was not until January, 1943 that the Washington office issued the next policy statement that was concerned with the price work of local boards. This statement was issued only after considerable strides had been made in perhaps a dozen state or district OPA offices, strides that had witnessed the organization of hundreds of price panels and the development in a few cases of elaborate local board price programs. In the January 26, 1943 announcement the senior deputy administrator instructed field offices to set up price panels in all local boards, even though they would “not have any extensive duties until sometime after April 1,” highly gratuitous advice to those panels already burdened with price work.

Internal difficulties in the Washington office prevented any immediate follow-up of the January announcement. However, on March

16 a further comment on price work at the board level was made in a speech by OPA's second administrator. In this speech Mr. Brown indicated that the agency was "planning to appoint a price panel" to each war price and rationing board. The new administrator allowed exactly one month to pass and then issued a peremptory order directing his field administrators "to undertake immediately the establishment of price panels in all local boards where they are not already functioning." As a second line of defense he followed this order four days later with a memorandum to each local board chairman requesting those chairmen who had not already established price panels to set the machinery in motion for organizing such panels.

The results were discouraging. In a further memorandum of early June, 1943, addressed to the field on the subject of price panels, he stated bluntly that "the program is nowhere on an operating basis at this time" and that a crisis in price ceiling enforcement was a direct consequence of this fact. Not only did he underline the need for such panels, but he declared: "I am holding each Regional Administrator personally responsible for having the price panel and price panel assistants program in effective operation in his region not later than June 21." Surely the administrators would act when their positions would be jeopardized by inaction. Yet the order was not followed by the drastic action that had been promised, because within a short time top level management within OPA became somewhat confused and the authority of the agency fell from the hands of the duly appointed officers to acting officials who did not feel inclined to enforce the June "act or get out" directive. Despite this fact, some progress was made with the establishment of price panels.

In December, 1943 the newly appointed third price administrator, Mr. Bowles, took up the price panel problem with his field personnel. He issued no order. Rather, he declared, "we have felt disappointed that the development of the price panel has not been quite as rapid as anticipated." He made it clear that he was unable to understand why this was so. Still he waited until the middle of April, 1944—twenty months after the beginning of price work in local boards—to issue his first personal

directive to his regional administrators on price panels. He insisted that they concentrate on establishing price panels "so that we will have an adequate price panel organization in every area not later than May 15." Mr. Bowles showed a keen awareness of one of the basic problems every field organizer had faced when he continued with the advice that field administrators must convince each board chairman and the "entire board-staff of the value of their price panel operations." One of the biggest stumbling blocks in the development of the program had been interference by board chairmen, men who had been picked to administer the rationing program and of whom many were openly hostile to price control. The Bowles memorandum also made clear his fear that even some district and regional administrators, along with board chairmen, were hostile to the price program.

The fall of 1944 and the winter and early spring of 1945 witnessed some expansion of the price work of the local boards. A program for the mass recruitment of panel members and panel assistants had been partially successful, and work had been assigned to and undertaken by most of these people. The 1944 OPA Extension Act, in laying a foundation for the later administration by the boards of what was called the administrator's right of action against retail price violators, gave price panels a new and valuable weapon to be used in bringing retail prices into line with price regulations. The new procedure had a further advantage. By checking a panel's use of the claim procedure, a reviewing office could gauge the effectiveness of price panel operations. A review of board work in negotiating these claims showed that panel work was improving, but at a discouragingly slow pace. While the war in Europe was approaching a successful climax, the "war on the home front" continued to suffer from one battle of the bulge to another.

On V-E Day, and on the day before and on the day after, a meeting was held in Washington with regional field price officers. In the course of his address to these officials Mr. Bowles said that "the entire office has suddenly (sic) come to the realization that the price panel program, properly operating, is our only hope of controlling prices at retail." That hope was slow in being fulfilled, for at a similar meeting

held four weeks after V-J Day, Mr. Bowles told an assembly of these same officials that the national office was adopting strong measures designed to improve board work. He stated specifically that "regulations are being written in the various commodity fields that will allow our price panels to do a better job in seeing that they are enforced," work, actually, that should have been done much earlier. The postwar period was bound to be a difficult one, so even the period after V-J Day might not be too late for fundamental improvements.

By this time the boards had entered a period in which activity at their level had undergone a marked change. Rationing programs were being discarded with precipitate haste. Some boards were being closed, and many consolidations were taking place among those that remained. Even the board name was changed from war price and rationing board to price control board. It was at this time that word came from the Washington OPA field division that "it will be a definite objective beginning immediately after board consolidations to organize price panels in each of the commodity fields in every board."

On V-J Day the highest level of Washington OPA policy makers had decided to abandon price panels along with the dismissal of rationing panels but were dissuaded from taking such action by regional and district officers. Yet in the first week of September, 1945, word received in field offices indicated that the national office price staff had completely reversed itself and was then vigorously building up a strong board program. As evidence of this renewed interest the national office forwarded to the field the most elaborate local board action plan it had ever devised. This program was accompanied by a statement from the head of the national office information division. "By November," this official declared, "price control panels will be ready to meet all comers and will really be in a position to do the very necessary job that they must do." By November, 1945 the organization would be complete and the boards would be equipped for action. So the central office planners had declared in August and in June and in other months, in 1945, 1944, and 1943. Surely an effective program was taking an unconscionably long time in being born.

IV

WHEN the program came to an end late in 1946 there were some remarkably able and effective local boards in operation but, it must be remembered, a few such boards had been in continuous operation from the fall of 1942 until the end of price control. There was something about the program that seemed bafflingly difficult to "catch," a special ingredient that was not easy to isolate. But the search for it was no pursuit of a will-o'-the-wisp, for at some places in the nation it was always in evidence.

A part of the difficulty arose from the dynamic character of the price program itself. Organization and procedures that were adequate at one time would not always work a few months later. Thus a clear conception of the basic essentials for an excellent price plan for December, 1942 was not adequate by the following August. But that was only a part of the difficulty. The task of supervising the boards presented unusually knotty problems. For one thing, local board field price officers at all levels of the administrative structure changed too frequently to permit incumbents to grasp the intricacies of the work, and no manual was written that incorporated field experience for the use of oncoming administrators. Most new officers had to build up their knowledge from experience, and this process was often disruptive to the work of the board. Statistics, if they were available, might show that well equipped volunteer price panel personnel held their positions longer, on the average, than their supervisors. This was true in cases that have come to this reviewer's attention.

A second problem encountered in the selection of board supervisors was that very often the wrong people were assigned to this work. Some of those appointed were staff members who had failed to work satisfactorily as commodity specialists—probably the most unfortunate test that could have been applied. Others were assigned to this work without adequate program training, with the unfortunate result that they were constantly trying to guide board members who were better informed than they were. The author of *Volunteers in OPA* makes the assumption that only supervisors who were themselves volunteers could successfully supervise other volunteers—a rather attractive as-

sumption. However, that assumption proved faulty, and the plan was abandoned in the office where it was born and first applied, San Francisco. Board personnel were ready and willing to lean heavily on district office supervisors, but ill-equipped supervisors were not able to influence board operations merely by the authority of their offices. Able volunteers would be guided by quality and ability, not by mere authority.

It was essential to the construction of an effective local board price program that district office executives as well as their national and regional office counterparts realize what sort of men and women the best price panel members were. They needed to know what the drive was that led these people to accept appointment in the first place and later, when the work became more difficult and the drive of participation in the war effort diminished, what kept them on the job. As a corollary to this, they should have learned the dimensions of the several types of board failures. Organized labor argued that members of their ranks be appointed to board membership lest the consumer point of view be lost sight of; merchant associations contended that panels of housewives, teachers, pensioners, and mechanics lacked knowledge essential to effective regulation of business; and all the while representatives of organized minority groups sought board membership for representation of their people.

Volunteers in OPA does not tell us even in a general way what relation these various claims held to effective price control. There were good boards that showed a neat balance among the various groups competing for membership, and there were others similarly organized that were no credit whatever to the nation. At least an occasional example can be shown of doctrinaire radicals and unreconstructed Tories work-

ing together and forming parts of a fine effective team; of merchants imposing excellent standards of compliance within the merchant groups of their communities; of representatives of minority groups who quickly ceased to represent anything but the highest standards of conduct.

The major weakness of *Volunteers in OPA* is found in the fact that it leaves so many fundamental questions unanswered. When the record is left to speak for itself, it speaks in contradictory language. For, depending on the examples one selects, one may conclude either that the board program succeeded or that it failed. But the fact of prime significance is that in some cases it succeeded. Possibly an appraisal of all available data will not permit one to agree with the best known administrator of OPA when he wrote that "the overwhelming majority [of local boards] has done the enormously difficult job with fairness and patience and with wholehearted devotion that is, I believe, the strongest possible tribute to the courage, ability, and democratic integrity of the American people."¹ But in those that did succeed there is administrative experience of fundamental import. To the extent that future crises may call for vast bureaucratic enterprises touching the lives of large numbers of Americans, experience drawn from the use of OPA local boards may permit the building of administrative devices and procedures that, on the one hand, will help make control effective and, on the other, will make it possible to adjust centrally planned regulations to the variations of the American economy and, in doing so, to lessen the likelihood that control will acquire an authoritarian character.

¹ Chester Bowles, "OPA Volunteers: Big Democracy in Action," 5 *Public Administration Review* 358 (Autumn, 1945).

News of the Society

CHAPTER NEWS

California—San Francisco Bay Area and University of California (Berkeley)

By joint action these two chapters have decided to meet together on at least three occasions during the 1948-49 program year. The first combined meeting was held on October 1 in the council chambers of the Berkeley City Hall with approximately sixty-five persons in attendance. The session was devoted to a discussion of intergovernmental cooperation as expressed through the grass roots experiments in Santa Clara and other counties in the United States. The panel consisted of Clark W. Lawrence, former director of the Santa Clara County Council on Intergovernmental Relations; Nestor Barrett, director of the Santa Clara County Planning Commission; and O. W. Campbell, city manager of San Jose. William F. Larsen, president of the University of California Chapter, presided. The enthusiasm of the membership was demonstrated by the active discussion that followed the formal presentation.

Recently elected officers of the University of California Chapter are: *President*—William F. Larsen; *Vice President*—A. Elliott Castello; *Secretary-Treasurer*—Barbara Rosenfeld; *Council*—Isabel Bowens, Robert W. Dunn, and Karl Keithan.

District of Columbia

The Washington, D. C. Chapter held its first monthly dinner meeting of the 1948-49 year on October 13, at Barker Hall, YWCA. The following panel discussed mobilization planning: Ralph Watkins of the NSRB; Lt. Col. Kaiser of the Munitions Board; and Harold Stein, formerly of the OWMR, now with the Committee on Public Administration Cases.

In addition to the regular monthly dinner meetings, the chapter will conduct a series of round table discussion meetings. Topics have been selected on the basis of a questionnaire

circulated to the membership, as follows: (1) control agency-operating department relationships, William Parsons, administrative assistant to the Secretary of the Treasury, chairman; (2) standards of administration and management services, Hirst Sutton, division of administrative management, Bureau of the Budget, chairman; (3) organization of a general management office, Bernard Gladieux, executive assistant to the Secretary of Commerce, chairman; (4) management practices and problems of other governments, S. McKee Rosen, adviser on administrative management problems of foreign officials, Bureau of the Budget, chairman; (5) organization of the executive branch of the government. This last round table will begin after the report of the Hoover Commission in January and a chairman will be selected at that time.

Officers of the Washington Chapter for 1948-49 are as follows: *President*—Elmer A. Staats, Bureau of the Budget; *First Vice President*—Charles E. Johnson, State Department; *Second Vice President*—Karl Stromsen, National Institute of Public Affairs; *Secretary-Treasurer*—Phillip Mayer, Economic Cooperation Administration; *Executive Committee*—Dorothy Stratton, World Bank, Grover Ensley of Senator Flanders' staff, Eckhard Bennewitz, Bureau of the Budget, and Jane Highsaw, State Department; *Program Committee*—Lyle Belsley, NSRB, George Galloway, Library of Congress, and Leonard Reichle, Atomic Energy Commission.

Illinois—University of Chicago

The chapter held its first regular meeting of the year on October 21 in Ida Noyes Library with eighty persons present. A discussion of problems and prospects of the Hoover Commission Report was led by C. H. Pritchett, Avery Leiserson; and Morton Grodzins, all of whom have made special studies for the commission.

Early in the Autumn quarter a tour of "1913" was conducted for new students in the Department of Political Science who are interested in public administration. The directors of a number of the organizations of officials located in the building spoke briefly about their individual organizations.

The chapter joined with the University Graduate Political Science Club in sponsoring a dinner at the First Presbyterian Church on October 29 in honor of Professor Leonard D. White, who recently retired as chairman of the Political Science Department in order to devote more time to research and writing. Dr. Charles E. Merriam, Morton D. Hull Distinguished Service Professor Emeritus of Political Science, was the speaker for the occasion.

The chapter has also arranged for monthly luncheons at the Quadrangle Club at which students, members of the faculty, and guests who will be invited from time to time can become more closely acquainted.

Illinois—University of Illinois

The University of Illinois Chapter held its first general meeting on May 28, following a dinner in the Illini Union. Eighteen students and several faculty members were present. The group held a series of meetings during the summer. Two were devoted to training for the public service with Dr. Jack Isakoff of the Illinois Legislative Council the leader of one, and Professor William Chalmers, formerly of the WLB, and now of the Labor and Management Relations Institute, the leader of the other. A third meeting discussed problems of policy making in the independent regulatory commissions and a fourth the shortcomings of the city planning movement. Officers elected during the summer on a temporary basis are Dwight B. Mitchell, graduate student in political science, president; and Deane F. Kramer, a student in the Law School, secretary.

Louisiana—New Orleans

At a meeting held late in the Spring the chapter elected G. Messina, Louisiana State Employment Service, secretary, and William W. Shaw, New Orleans Department of Civil Service, treasurer.

Maryland

On September 27 a group of twelve persons from local, state, and federal agencies, the University of Maryland, and the Johns Hopkins University met at the Johns Hopkins Faculty Club to form the Maryland Chapter of the Society. Jack Simons, administrative analyst, Social Security Administration, was elected acting chairman, and Beryl Frank, operations analyst, Social Security Administration, acting secretary-treasurer. The program policy was discussed at length in relation to attracting and retaining members. The first regular dinner meeting is scheduled for November 4 at the Northway Apartment Hotel, with the Society's president, John J. Corson, the principal speaker.

Michigan—Detroit

The Detroit Chapter sponsored a tea at the Wayne University Student Center on September 24 for graduate students and seniors in public administration and government and their wives. The purpose of the tea was to give students and faculty an opportunity to become acquainted and to acquaint them with the Society. They were invited to join and attend regularly scheduled meetings of the Society and also to form a student chapter. The first regular fall meeting was scheduled for October 14 with John Perkins, controller of the new State Department of Administration, speaking on the work of his agency.

Michigan—University of Michigan

The chapter began its activities for the year with a coffee hour on Wednesday afternoon, September 22. It was planned as an opportunity to welcome new students in the Institute of Public Administration and give them a chance to become acquainted and learn about the chapter. Some forty persons attended. At the first social seminar for the year, held on October 6, Nathan Maccoby, study director for the Survey Research Center at the university, spoke on the application of survey research techniques to public administration. The chapter has also initiated a series of student discussion sessions on a trial basis.

At a business meeting held on October 13

the following officers were elected: *President*—Betty Lou Bidwell; *Vice President*—William Larry Collins; *Secretary*—Dorothee Strauss; *Treasurer*—Eugene G. Moody.

New York—Capital District

The first regular meeting of the year was held October 19 in Hearing Room No. 3, Governor Alfred E. Smith State Office Building, with seventy-five persons in attendance. The session was devoted to the problems of communication between top management and the rest of the organization. Leander Query, public relations manager, New York Telephone Company, New York City, was the principal speaker. Case examples were presented by Edith Avery, associate examiner of methods and procedures, Division of Placement and Unemployment Insurance; William E. Tinney, personnel officer, Conservation Department; William Murray, assistant administrative director, Department of Civil Service; and John E. Holt-Harris, Jr., assistant counsel, Civil Service Employees Association. Helen Esray Chase, associate personnel analyst, Personnel Council, Department of Civil Service, acted as moderator.

Oregon

E. S. Wengert, new head of the Political Science Department at the University of Oregon, has been named secretary-treasurer to succeed Leon D. Epstein who has gone to the University of Wisconsin.

Utah

At a luncheon meeting held at the Union Building, University of Utah, on October 14, LeRay S. Howell, merit system supervisor for the State of Utah, reported on the conference of the Civil Service Assembly of the United States and Canada held at Ottawa, Canada,

October 4-7. Eighteen persons attended the meeting.

Washington

At its meeting of June 21 the Washington State Chapter elected the following officers for the coming year: *President*—Irving D. Smith, Civil Aeronautics Administration; *Vice President*—Harold Lang, supervisor, State Personnel Board; *Secretary-Treasurer*—B. Warner Shippee, Seattle Housing Authority; *Trustees*—Mrs. Luna B. Brown, University of Washington; Herbert M. Peet, State Division of Progress and Industry Development; Gilbert E. Rolfe, War Assets Administration; Charles Oliver, manager, City Retirement System; Helen Foster, State Department of Welfare, Olympia, Washington.

Hawaii

At three meetings held since its formal organization Hawaii Chapter members have heard the following: S. Gale Lowrie, professor of political science, University of Cincinnati speaking on how to attract the best persons for public service; Newton Holcomb, director of the Territorial Department of Public Welfare, speaking on principles of administration involved in the management process in public welfare; and Edward D. Gallas, discussing details of a proposed wage survey being conducted for the Classification Study Commission of the Territory.

Norman Meller, Secretary-Treasurer, reports that as a new organization the chapter is experimenting with different types and times of meetings. Program arrangements are on an *ad hoc* basis. The chapter renews its request that it be informed of the contemplated trips to or through the Territory of Society members who might wish to meet with the group to discuss subjects of mutual interest.

Public Administration

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